
**APPRAISAL OF THE PROPERTY OF
ANNAPOLIS REALTY PARTNERS, LLC
PURCHASE ORDER NUMBER 20181251-01
FOREST DRIVE
SIXTH ASSESSMENT DISTRICT
ANNE ARUNDEL COUNTY
ANNAPOLIS, MARYLAND 21401**

Prepared for

*Mr. Brian D. Snyder, CPPO
Procurement Officer
City of Annapolis - Central Purchasing
161 Duke of Gloucester Street
Annapolis, Maryland 21401*

*As of June 12, 2018
Prepared on July 6, 2018*

Prepared by

*Antoinette Wineholt, MAI
The Wineholt Group, Inc.
Post Office Box 732
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THE WINEHOLT GROUP, INC.

Real Estate Appraisers & Consultants

July 6, 2018

Mr. Brian D. Snyder, CPPO
Procurement Officer
City of Annapolis - Central Purchasing
161 Duke of Gloucester Street
Annapolis, Maryland 21401

Re: Forest Drive, Sites 1 through 4, inclusive, Annapolis, Maryland 21401

Dear Mr. Snyder:

At your request, I have made an appraisal of the above-captioned property for the purpose of estimating the market value of the fee simple estate, as presently existing. An appraisal report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice (USPAP)* and presents summary discussions of data, reasoning and analysis that were used in the appraisal process to develop the opinions of value. The appraisal is to be used by Annapolis city government as estimates of the current market values of the subject property, as presently existing, in negotiating a possible acquisition of the property. The property consists of four sites identified as Sites 1 through 4, inclusive, for purposes of this appraisal. However, at the direction of the client, Site 1 is valued as an independent lot while Sites 2 through 4, inclusive, are valued as a single entity.

The subject property is identified on Anne Arundel County Tax Map 51E, Block 23 as Parcels 1769, 1813 and 2355 in the Sixth Assessment District. Parcel 2355 consists of Sites 1 and 4. Site 1 contains an area of 0.73 acres or 31,834 square feet that is rectangular in shape, wooded and unimproved. Sites 2, 3 and 4 contain a combined area of 2.725 acres or 118,743.3 square feet that is regularly shaped, mostly cleared and unimproved.

As a result of this appraisal, subject to the underlying assumptions and contingent conditions contained within this report, it is my opinion that the market value of the fee simple estate of Site 1 of the subject property, as presently existing, as of June 12, 2018, the date of the most recent inspection, is estimated as **EIGHTY THOUSAND DOLLARS (\$80,000)**.

Furthermore and as a result of this appraisal, subject to the underlying assumptions and contingent conditions contained within this report, it is my opinion that the market value of the fee simple estate of Sites 2, 3 and 4, as combined, of the subject property, as presently existing, as of June 12, 2018, is estimated as **ONE MILLION SEVEN HUNDRED THIRTY THOUSAND DOLLARS (\$1,730,000)**.

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Data, analyses, computations and conclusions upon which these estimates of value are based are contained in the annexed appraisal report together with exhibits. This appraisal should be considered together with the statement of conditions and assumptions enumerated later in this report.

Please contact me if you have any questions or comments. Thank you for the opportunity to be of service.

Respectfully submitted,
THE WINEHOLT GROUP, INC.

A handwritten signature in cursive script, appearing to read "Antoinette Wineholt", with a large, stylized flourish extending from the end of the signature.

Antoinette Wineholt, MAI
Certified General Appraiser
Maryland License 04-220

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Section A:
Introduction

UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS

This appraisal report has been prepared with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions, or for obtaining the engineering studies, that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report. The property is not subject to flood plain or utility restrictions or moratoriums, except as reported to your appraiser and contained in this report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been, or can be, obtained or renewed for any use on which the value estimates contained in this report are based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the values of the property. The value estimates are predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to

- discover them. The intended user is urged to retain an expert in this field, if desired. Should any subsequent studies, research, or investigation reveal the presence of any potentially hazardous substance, then any estimate of value may need to be qualified or amended.
12. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid, if so used.
 13. Possession of this report, or a copy thereof, does not carry with it the right of publication.
 14. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
 15. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
 16. Any value estimate provided in the report applies to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
 17. No in-depth inspection was made of the plumbing (including well and septic), electrical, or heating systems. The appraiser cannot warrant the adequacy/inadequacy of these systems.
 18. The appraisal was prepared by the appraiser for the exclusive use of the client. The information and opinions contained in this appraisal set forth the appraiser's best judgment in light of the information available at the time of the preparation of this report. Any use of this appraisal by any other person or entity, or any reliance or decisions based on this appraisal are the sole responsibility, and at the sole risk, of the third party. The appraiser accepts no responsibility for damages suffered by any third party as a result of reliance on or decisions made or actions taken based on this report.
 19. To my knowledge, a Phase I environmental site assessment (ESA) had not been conducted on the subject sites as of the date of value. The presence of environmental contamination may significantly impact the value estimates for the subject property. Because of the lack of a Phase I ESA, the property is appraised contingent on there being no existing environmental hazards. If subsequent information indicates that this assumption is incorrect, then this appraisal and any estimate of value contained herein may need to be qualified or amended.
 20. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any value opinion based upon any subsequent environmental impact studies, research or investigation.

21. It is an assumption of this report that the soils are capable of supporting development on the subject property. If subsequent information is obtained indicating that this assumption is incorrect, then this appraisal and any estimate of value may need to be qualified or amended.
22. For purposes of this appraisal, Parcel 1769 is identified as Site 2 while Parcel 1813 is identified as Site 3 as shown on the drawing provided by the city of Annapolis. Parcel 2355 of the property consists of Sites 1 and 4. The designations are for identification purposes only.
23. At the direction of the client, Site 1 is valued as an independent parcel while Sites 2, 3 and 4 are valued as a single combined site.

SUMMARY OF IMPORTANT CONCLUSIONS

LOCATION	Forest Drive; Anne Arundel County Tax Map 51E, Block 23 as Parcels 1769, 1813 and 2355 in the Sixth Assessment District; Annapolis, Maryland 21401
OWNER OF RECORD	Annapolis Realty Partners, LLC
LAND AREAS	Parcel 1769: 1.742 acres or 75,882 square feet (Site 2) Parcel 1813: 0.833 acres or 36,285 square feet (Site 3) Parcel 2355: 0.730 acres or 31,834 square feet (Site 1) Parcel 2355: 0.150 acres or 6,576.3 square feet (Site 4)
IMPROVEMENTS	The parcels are presently unimproved.
ZONING	R2, Single Family Residence District and R3, General Residence District (Annapolis, Maryland)
HIGHEST & BEST USE	Development with a dwelling with the remainder of Site 1 used to meet forest conservation requirements as support for Sites 2, 3 and 4 under the same ownership; residential development with attached units for combined Sites 2, 3 and 4 as part of a residential planned unit development
PROPERTY RIGHTS APPRAISED	Fee simple estate
EFFECTIVE DATE	June 12, 2018
ESTIMATED MARKET VALUE, AS IS	
Cost Approach	Not applicable
Sales Comparison Approach	\$ 80,000 as to Site 1
Income Capitalization Approach	\$1,730,000 as to Sites 2, 3 and 4
FINAL VALUE ESTIMATE, AS IS	\$ 80,000 as to Site 1 \$1,730,000 as to Sites 2, 3 and 4
EXPOSURE TIME	Not longer than one year at the appraised values for the subject sites, as presently existing

Section B:
Factual Description

PROPERTY IDENTIFICATION

The subject property is identified on Anne Arundel County Tax Map 51E, Block 23 as Parcels 1769, 1813 and 2355 in the Sixth Assessment District. A copy of the tax map showing the approximate location of the subject property is included on the following page. The property is within census tract 7025 and falls within the 21401, Annapolis zip code area.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property, as presently existing, and as of the effective date. I am competent to complete this assignment in accordance with the Competency Provision of the Uniform Standards of Professional Appraisal Practice.

INTENDED USER AND USE OF APPRAISAL

The appraisal is to be used as estimates of the market value of the subject property, as presently existing, to assist the client, Annapolis city government, in a possible acquisition of the property.

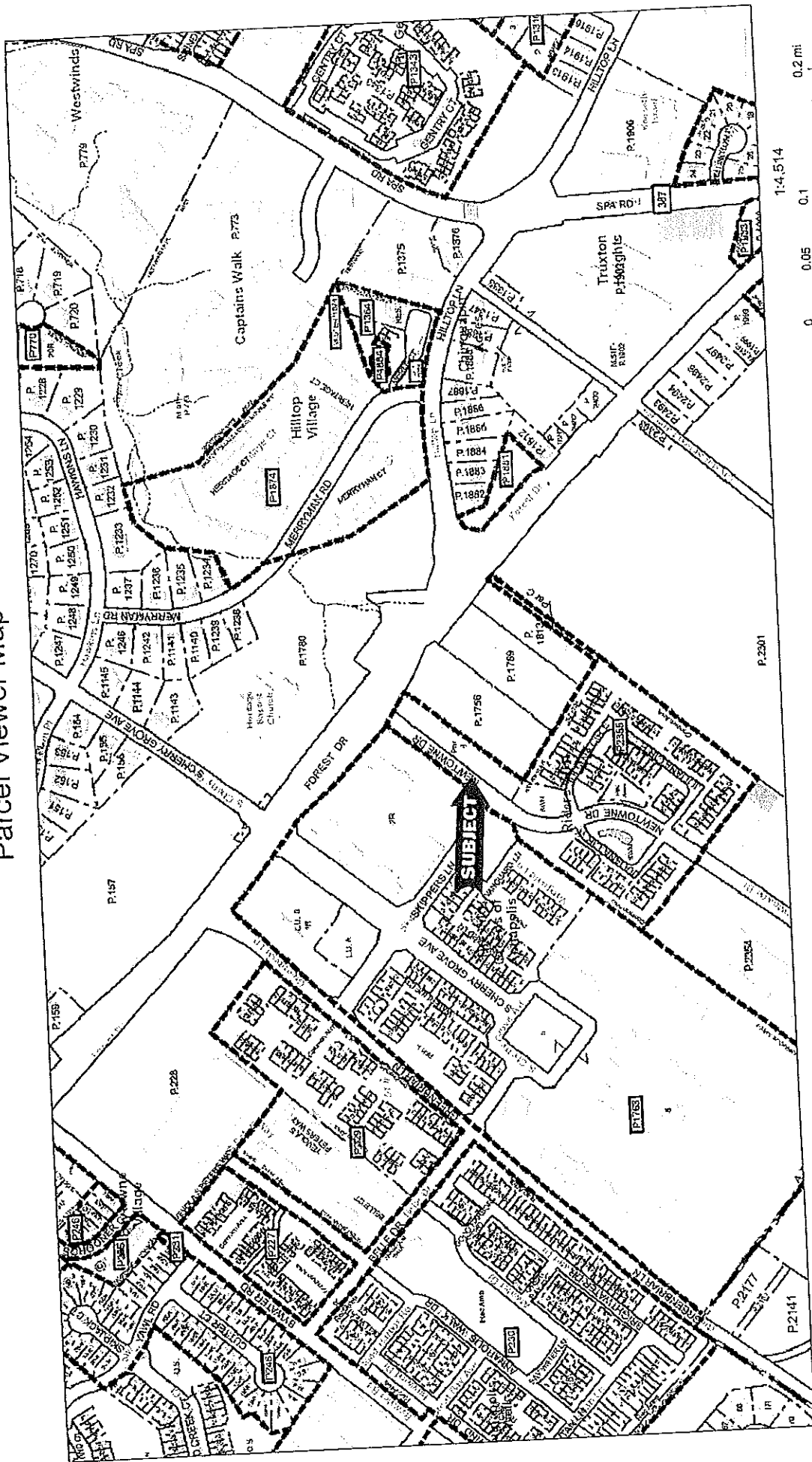
SCOPE OF THE APPRAISAL

The scope of this appraisal included a physical inspection of the subject parcels as well as the surrounding neighborhood. Demographic statistics were obtained from the *Site to Do Business Online (STDBOnline)*. The most recent deeds to the subject parcels were reviewed to determine the parties to the transactions, dates and purchase prices. The sizes and configurations of the subject sites are based on information provided by the city of Annapolis. Additional information was obtained from an ALTA survey of Sites 2, 3 and 4 prepared by ATCS, P.L.C., an engineering firm dated August 23, 2005. In addition, the recorded plats of the Rider's Glen subdivision provided information on the size and configuration of Sites 1 and 4. Factual data including the zoning of the property, availability of public utilities, assessment information, and census tract identification were obtained from the appropriate local government agencies. Information regarding the availability of public utilities, zoning, approval status, school capacity, and additional physical characteristics of the subject property were obtained from the appropriate local government offices. Publications, both governmental, i.e., zoning ordinance, *Soil Survey* and critical area overlay, and private, i.e., Metropolitan Regional Information Services (MRIS) publications were consulted and considered in the course of completing this appraisal.

Normally, three approaches to value, the cost, sales comparison and income capitalization approaches are considered in valuing residentially zoned real estate. The subject property is valued by the sales comparison approach only. The sales comparison approach is considered in valuing the subject property, as presently existing, based on a comparison of other sales of residentially zoned sites. A number of sales of sites were researched, analyzed and investigated and eight are compared to the subject sites for an estimate of the value for Site 1, and for Sites 2, 3 and 4 as a combined parcel.

In the course of completing this appraisal, sources knowledgeable in the local and regional real estate markets were interviewed to project probable trends regarding residential, retail, office, institutional

Parcel Viewer Map



June 29, 2018

County Boundaries

NO MAP, NDR, SDAT
 Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO,
 USGS, FAO, NPS, NRCAN, Geobase, IGN, Kansas State, Orange
 Survey, Esri, Japan, METI, Esri, China (Hong Kong), Swisstopo, ©
 OpenStreetMap contributors, and the GIS User Community

and industrial properties. Private publications (investment and real estate trade journals) were consulted as supplemental sources in providing information on general market perspectives and trends.

In addition to typical source material concerning local and regional economic and real estate conditions, several publications providing information specific to commercial, industrial and/or residential markets were also consulted. Private publications (investment and real estate trade journals) were consulted as supplemental sources in providing information on general market perspectives and trends. Sources knowledgeable in the local real estate market were interviewed to project probable trends regarding the sale of improved and unimproved residential, commercial and industrial properties. Several national real estate investment reports, *The Real Estate Report*, published by RERC, and the *PwC Real Estate Investor Survey*, a survey published by PriceWaterhouseCoopers, were also reviewed to obtain information regarding marketing periods and return requirements. Vacancy rates were obtained from publications prepared by Transwestern, Cushman & Wakefield, MacKenzie and CB Richard Ellis, all commercial brokerage firms, CoStar, a national database of commercial properties, in addition to a visual inspection of area properties.

Finally, an exposure time is estimated for the subject property based on the time periods experienced by similar properties and on information obtained from national surveys. The estimated exposure period is based on an analysis of anticipated market trends, conditions in the local and regional real estate markets, and the expectations of market participants regarding the future state of local and national economic conditions.

DEFINITIONS OF VALUE

Market Value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.

(12 C.F.R. Part 34.42 (g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Market Value, as is, is defined in the regulatory guidelines as:

An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, qualifications as of the date the appraisal is prepared.

PROPERTY RIGHTS APPRAISED

The property rights appraised consist of the fee simple estate, defined in *The Dictionary of Real Estate Appraisal* (Sixth Edition, page 90, 2015), as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

DATE OF INSPECTION AND EFFECTIVE DATE OF APPRAISAL

The subject property was originally inspected and photographed on April 26, 2018 with a more recent cursory inspection conducted on June 12, 2018; this subsequent date is considered the effective date of the appraisal for the property, as presently existing.

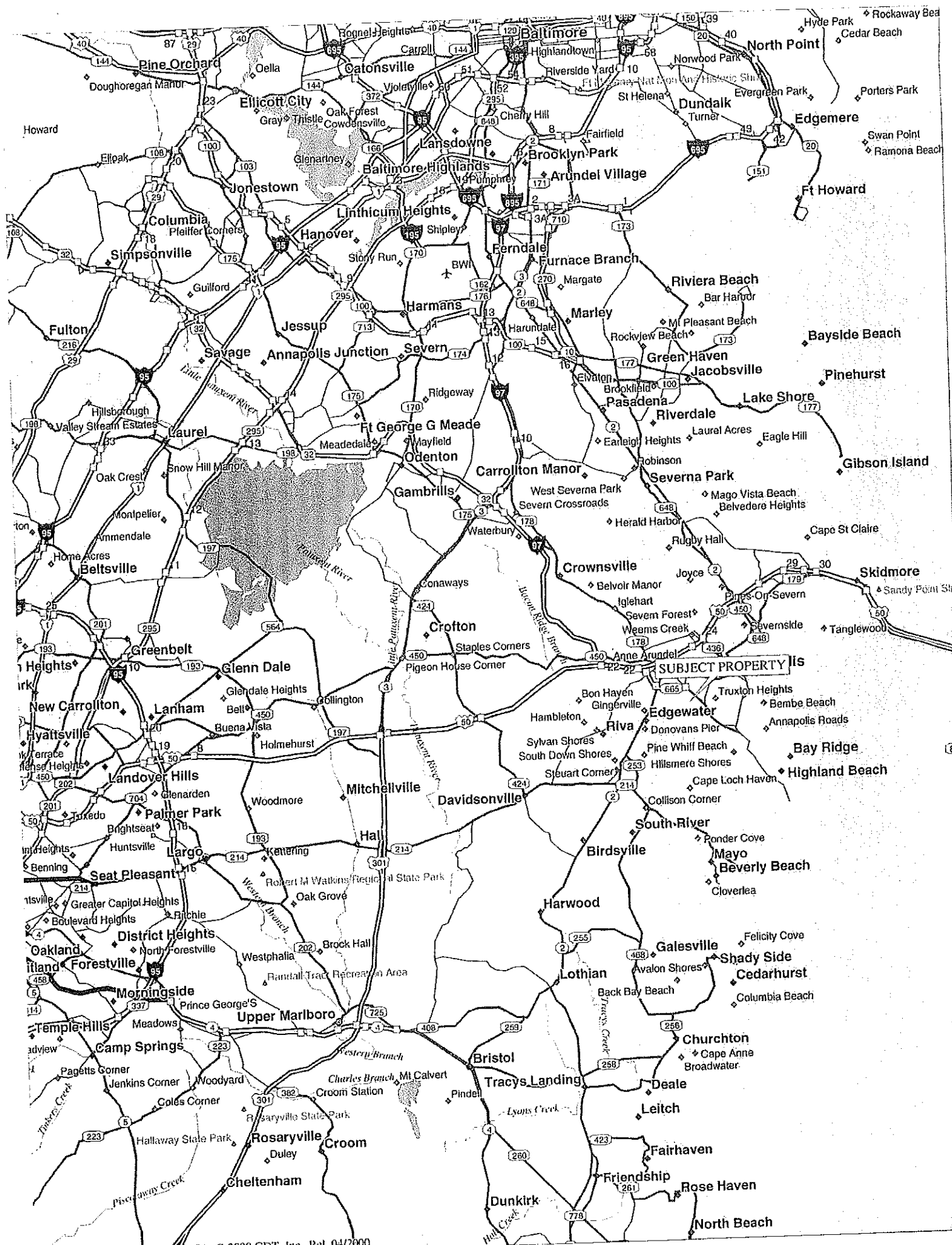
NEIGHBORHOOD DESCRIPTION

The subject property is located along the Forest Drive corridor within the city of Annapolis. The expanded Annapolis neighborhood extends east along Route 50 from Aris T. Allen Boulevard to the Chesapeake Bay and includes the City of Annapolis as well as the Parole area of Annapolis. The general neighborhood is approximately 20 miles southwest of Baltimore City and approximately 24 miles northeast of Washington, D.C.

Physical Features

The city of Annapolis is irregularly shaped by water frontage on the Severn River and several tributary creeks and is roughly bound on the north by Weems Creek and U.S. Route 50/301, on the east by the Severn River and the Chesapeake Bay, on the south by Forest Drive (some annexed portions of the city are on the southerly side of Forest Drive) and the residential areas of Annapolis Neck (a peninsula created by the Severn and South Rivers) and on the west by the commercial district of Parole and Maryland Route 2. The land area of Annapolis totals 7.2± square miles or 4,608 acres including approximately 370 acres for the U.S. Naval Academy.

The topography of Annapolis extends from sea level in the east to just over 90 feet in the southwest and is typically characterized by level or near level land. A dominant natural feature is its waterways which provide a total shoreline length of approximately 17 miles, over two miles of shoreline for each square mile of land area.



Transportation

The area is served by an excellent network of primary roads. Major roadways serving the expanded Annapolis neighborhood include Route 50/301, Maryland Route 2 and I-97. U.S. Route 50/301 has interchanges in Parole and at Rowe Boulevard that provide direct access to several major arterial roadways that penetrate the city. These arterials include Rowe Boulevard, Forest Drive and West Street. Also, Aris T. Allen Boulevard bypasses the current traffic "bottle necks" in the Parole area just outside the city and serves the residential areas of the southeastern Annapolis Neck peninsula. Mass transit service is available within Annapolis and its immediate outskirts by bus service provided and partially financed by the local municipal government. There is no rail service to the Annapolis area.

According to statistics obtained from the State Highway Administration for 2017 traffic counts on Route 50 ranged from 82,512 vehicles per day just west of Cape St. Claire Road and increased to 168,281 vehicles each day at the I-97 interchange. Traffic counts on Route 50 west of Ritchie Highway ranged from 126,211 vehicles at the Severn River Bridge and decreased to 108,902 vehicles each day at Generals Highway. Ritchie Highway (Maryland Route 2) is a major north-south roadway through Anne Arundel County that connects Baltimore on the north and Annapolis and Route 50 on the south. Traffic counts on Ritchie Highway ranged from 48,280 vehicles per day north of its intersection with Route 50 and increased to 62,640 vehicles per day in Arnold.

I-97 is a north-south interstate that connects Annapolis and Route 50 on the south and the Baltimore Beltway (I-695) to the north. Counts on I-97 within the general area ranged from 93,382 vehicles at Route 50 and increased to 127,312 vehicles per day near Route 3/Crain Highway; counts on I-97 increase to the north. West Street (Maryland Route 450) is an east-west connector between Parole and downtown Annapolis. Traffic counts on West Street ranged from 34,272 vehicles per day near Hudson Street to 43,600 vehicles each day west of Route 50. Counts on West Street in downtown Annapolis averaged 16,052 vehicles per day according to SHA statistics. Counts along Solomons Island Road (also known as Maryland Route 2) ranged from 57,370 vehicles per day south of Aris T. Allen Boulevard and decreased to 37,700 vehicles each day at Route 50. Counts along Aris T. Allen Boulevard (Maryland Route 665) averaged 61,864 vehicles per day just east of Route 50 for 2017 and decreased to the east where the roadway becomes Forest Drive. No counts are provided along Forest Drive or Riva Road.

In addition to the excellent road network, air service is available to area residents at Baltimore/Washington International Thurgood Marshall Airport. The airport is owned by the State of Maryland and covers an area of nearly 3,600 acres. The terminal contains an approximate area of 1.976 million square feet (45.4 acres) divided into five concourses, although concourses A and B were effectively merged into one with a recent renovation, 68 jet gates and five commuter aircraft gates.

Passenger counts at BWI for 2010 totaled 21,936,461 indicating an increase of 4.7% over 2009 levels. Southwest Airlines continued to be the leading carrier at BWI serving more than 11.7 million passengers in 2010, a 7.4% increase over 2009 levels. According to statistics obtained from the Maryland Aviation Administration (MAA), passenger counts for 2011 totaled 22,391,785 indicating an increase of 2.1% over 2010 counts. Domestic passengers accounted for the bulk of all traffic with Southwest Airlines continuing to be the dominant carrier. Passenger counts for 2012 totaled 22,679,887 representing an increase of 1.3% over 2011 totals. According to the MAA, passenger counts for 2013 totaled 22,498,353; the volume is slightly lower, but largely consistent with 2012

levels. BWI passenger counts for 2014 totaled 22,491,346 indicating a decrease of 0.15% over prior year levels. Passenger counts totaled 23,823,532 for 2015 for an increase of 5.9% over 2014 totals. Counts at BWI totaled 25,122,651 passengers through December 2016 that represents an increase of 5% over 2015 totals. According to statistics obtained from the Maryland Aviation Administration, passenger counts for 2017 totaled 26,369,411 indicating an increase of 5.6% over 2016 counts. The passenger count at BWI for the first quarter of 2018 totaled 5,926,948 passengers for an annualized total of 23,707,792 based on the partial year counts.

Based on a December 2017 report entitled, "Regional Economic Impact of BWI Marshall Airport," the facility accounted for 106,488 direct and indirect jobs and contributed \$9.3 billion in total economic impact to Maryland's economy. BWI provided a total of approximately \$591.9 million in total state and local taxes from airport and visitor generated activities. Based on recent compilations, the airport generates an average of 694 flights per day or 253,238 annually. The Maryland Aviation Administration completed a five year \$1.8 billion capital improvement plan that included the addition of garage and surface parking lots, a consolidated rental car facility, a new concourse, the renovation and expansion of two existing concourses, as well as improved access to BWI in the fall of 2008. The MAA announced a \$100 million expansion and upgrade of airport facilities in early 2012 that included a new terminal containing an approximate area of 27,000 square feet connecting Concourses B and C. The terminal includes moving walkways and approximately 8,500 square feet of restaurant and retail space. The B/C Connector opened in the summer of 2013. In July 2013, MAA announced a \$125 million three year plan for additional improvements that included a new connector between Concourses C and D, a new security checkpoint designed to serve both domestic and international passengers and reconfiguring gates to allow increased international flights. Work on this project is now complete.

Demographics

Population growth within the city of Annapolis in the last decade has been moderate with the greatest increases in the downtown area and along the Forest Drive corridor. The slow growth is attributable to an aging population having an increasing proportion of "empty nesters" and an influx of older working couples that has resulted in a net loss of population in the northern and western part of town. The increase in population in the Forest Drive corridor is the result of apartment and condominium construction over the past few years, as well as infill construction of detached homes on remaining lots in the Eastport area. This city trend is matched on the southern or "county" side of Forest Drive where there has also been significant new residential and neighborhood commercial development over the past five to ten years.

Based on statistics obtained from the *Site to Do Business Online (STDBOnline)*, the population of the city of Annapolis (inclusive of the Naval Academy) for 2017 totaled 45,159 and is projected to increase 3.4% to 46,675 persons by 2022. The statistics indicate a total of 16,750 households in 2017 that is forecast to increase to 17,283 or by 3.2% in 2022. The average household size is 2.39 and is projected to increase slightly to 2.4 persons in five years. By comparison, the 2017 population of the larger Annapolis area (inclusive of the city of Annapolis and Parole and based on zip code areas 21401, 21402 and 21403) totaled 75,903 and is projected to increase 3.8% to 78,788 by 2022. The statistics indicate a total of 30,316 households in the larger area for 2017 that is forecast to increase to 31,425 or by 3.7% in 2022. County growth reflects the expansion of the Washington metropolitan area coupled with the availability of land to accommodate it. Improvements to major and secondary highways that connect Annapolis and Anne Arundel County to the Washington and Baltimore regional employment markets, should sustain increased growth. However, total

population, household counts and growth rates for the city of Annapolis and the expanded Annapolis area are constrained as much of the land area is already improved, devoted to historical, institutional or governmental uses, within the limits of the Chesapeake Bay Critical Area, or subject to other environmental constraints including steep slopes or wetlands.

Income

Based on *STDBOnline* statistics, Annapolis city residents have a 2017 median household income of \$76,935 annually that is projected to increase by 8.4% to \$83,434 per year in 2022. Average annual household income for city residents is significantly higher at \$105,906 for 2017 and is projected to increase to \$118,861, or by 12.2%, in five years. Median disposable income for city residents averaged \$56,332 for 2017; average disposable income is projected at \$73,944 annually based on the statistics. By comparison, income levels increase for the expanded Annapolis area with a projected median household income of \$89,119 for 2017 and an average annual household income of \$120,842. The median household income is forecast to increase to \$98,024 annually in 2022 with an average household income of \$134,482 at that time for the larger area. Median disposable income or effective buying income is estimated at \$63,661 annually for expanded Annapolis area residents; the average annual disposable income is projected at \$83,032 annually for 2017.

In addition, the employment market is reflected in the area's lower than average median effective buying income (EBI) that lags county levels as reflected in the chart below.

EFFECTIVE BUYING INCOME
(2017 - Number and Percent of Households)

Distribution	Number of Households	Percentage of Households
Under \$25,000	4,656	15.4
\$25,000-\$49,999	5,962	19.6
\$50,000-\$74,999	7,009	23.1
\$75,000-\$99,999	4,296	14.2
\$100,000 or more	8,393	27.7
Median Disposable Income	\$63,661	
Average Disposable Income	\$83,032	

Source: *Site to Do Business Online 2018*

By comparison, the median disposable income for Anne Arundel County residents for 2017 totaled \$64,290 annually; average disposable income is reported as \$81,331 annually. The median disposable income for Annapolis area residents is approximately 1% lower than for Anne Arundel County households while average household income is 2.1% greater than for county residents. *STDBOnline* reports that 23.1% of the area's workforce is employed in management, business or financial positions; 27.1% in professional positions; and 21.4% in sales and administrative functions. Service sector jobs account for 15.9% of employment while construction, maintenance and repair, production and transportation jobs provide 12.4% of employment for residents. Major employers include the state of Maryland, the city of Annapolis, the U.S. Naval Academy, Anne Arundel County government and the Board of Education, Rockwell, Home Depot, Westfield Shoppingtown Annapolis and ITT among others. While Annapolis and the surrounding Parole area generally enjoy

relatively low unemployment rates because of the concentration of government offices and the intense commercial development, the area is subject to fluctuations in the defense, telecommunication and technology sectors. The unemployment rate for Anne Arundel County for May 2018 is projected at 3.4% and is unchanged from the rate of May 2017 according to the Bureau of Labor Statistics. The unemployment rate for the state of Maryland as of May 2018 averaged 4.3% up from a rate of 3.9% one year earlier.

Based on statistics obtained from the *Site to Do Business Online*, Annapolis area residents are more likely to spend money on personal care products and services (SPI = 151), education (SPI = 158) and travel (SPI = 157). The Spending Potential Index (SPI) represents the amount spent by area residents relative to the national average of 100. Spending on vehicle maintenance and repairs totaled \$46.9 million with an average annual household expenditure of \$1,547 and SPI of 144. Shelter expenses are projected at a total of nearly \$751.5 million and residents are more likely to make mortgage payments (SPI = 148) and spend money on maintenance and remodeling services (SPI = 155) and materials (SPI = 137).

By comparison, Annapolis city residents are more likely to spend money on entertainment and recreation (SPI = 129), education (SPI = 141) and travel (SPI = 135). Spending on vehicle maintenance and repairs totaled \$22.7 million with an average annual household expenditure of \$1,355 and SPI of 126. Shelter expenses totaled \$370.5 million and Annapolis city residents are more likely to make mortgage payments (SPI = 125) and spend money on maintenance and remodeling services (SPI = 125) and materials (SPI = 114).

Housing

As of 2017, the city of Annapolis includes a total of 18,817 housing units with 89% occupied; the number of units is projected to increase to 19,490 units in 2022, or by 3.6%, with 88.7% occupied at that time. *STDBOnline* projects a median owner occupied house value for 2017 of \$419,492 and an average value of \$522,254; the median value is projected to increase to \$452,359 as of 2022 with an average value of \$554,149. The expanded Annapolis area includes a total of 33,954 housing units in 2017 with 89.3% occupied; the number of housing units is projected to increase to 35,236 in 2022 with 89.2% projected to be occupied at that time. *STDBOnline* projects a median house value for 2017 of \$459,337 and an average value of \$558,289; the median value is projected to increase to \$483,050 as of 2022 with an average value of \$585,354 at that time. Approximately 53.1% of all housing units are owner occupied within the greater Annapolis area as of 2017 with 36.2% of housing units renter occupied.

In 2012, the Sustainable Growth and Agricultural Preservation Act of 2012 was passed by the Maryland General Assembly. The act was designed to address future residential development within Maryland by establishing growth tiers. Specifically, these tiers delineate areas for future major and minor residential subdivisions and the type of sewage system that can serve them. The majority of Annapolis is designated as Tier 1 and Tier 2 that includes areas presently or proposed to be served by public sewer systems. Tiers 1 and 2 also include areas that are designated for local growth. In Tier 1, major and minor subdivisions are permitted and must be served by public sewer. Major and minor subdivisions are also allowed in Tier 2; major subdivisions must utilize public sewer while minor subdivisions may use on-site septic systems as an interim solution until public sewer becomes available.

Residential Market

An analysis of settled homes sold through the Metropolitan Regional Information System (MRIS) within the expanded Annapolis area (based on the 21401, 21402 and 21403 zip codes) was made for the period covering January 2015 through May 2018. According to MRIS, a total of 470 dwelling units sold through May 2018 in the subject neighborhood. An annualized volume of 1,128 sales is projected for 2018 that would represent a significant decline from the prior year. However, the first part of the year is not typically indicative of annual housing sales. Settled prices ranged from \$130,000 for a three bedroom, 1½ unit to \$4,337,500 for a six bedroom, 6½ bath waterfront in West Annapolis. As with prior years, the bulk of transactions are concentrated at prices of \$200,000 to \$400,000. For the first five months of 2018, a total of 26 dwelling units (5.5% of volume) sold as short sales or as transfers of bank owned assets.

Based on a review of MRIS statistics, a total of 1,299 dwellings sold throughout the Annapolis area during 2017 representing an increase of 6.1% over the prior year. Settled prices ranged from \$69,300 for a two bedroom, one bath unit to \$4,350,000 for a four bedroom, 4½ bath waterfront on Aberdeen Creek. Prices are concentrated in the \$200,000 to less than \$300,000 range with this bracket accounting for 20.9% of annual settlements. Units selling at prices of \$300,000 to less than \$400,000 or \$400,000 to less than \$500,000 accounted for 19.4% and 17.5%, respectively, of volume. A total of 6.6% of 2017 volume represented short sales (22 units) or sales of bank owned assets (64 units); no foreclosures occurred.

According to a review of MRIS statistics, a total of 1,224 dwelling units sold in the expanded Annapolis area during 2016. Prices ranged from \$58,900 for a two bedroom, one bath unit to \$6,125,000 for a five bedroom, five+ bath waterfront estate. Unlike the prior year, the bulk of partial year 2016 volume is concentrated in the \$200,000 to less than \$300,000 range that accounted for 21.6% of partial year settlements. Dwelling units trading at prices of \$300,000 to less than \$400,000 represented 20.9% of volume with homes selling at prices of \$400,000 to less than \$500,000 accounting for 16.7% of settlements for the year. A total of 113 units or 9.2% of all transactions occurred as short sales (23 units), foreclosures (four units) or transfers of bank owned assets (86 units).

Based on an analysis of MRIS statistics, a total of 1,168 dwelling units settled in the larger Annapolis area in 2015. Settled prices ranged from \$62,000 for a two bedroom, one bath condominium sold as a bank owned asset to \$4,725,000 for a four bedroom, four+ bath waterfront home in Murray Hill. The bulk of 2015 volume is concentrated in the \$300,000 to less than \$400,000 range with this price bracket accounting for 22.6% of volume followed closely by units settling at prices of \$200,000 to \$299,999 that represents 21.7% of 2015 sales. Dwelling units selling at prices of \$400,000 to less than \$500,000 account for 14.7% of volume for 2015. Based on MRIS statistics, 10.7% of settlements consisted of short sales (33), foreclosure (one) and transfers of bank owned assets (91) during the year.

Sales volume escalated during the 2011 through 2013 period, but prices remain somewhat constrained. However, the recent improvement in the housing market is resulting in some price increases for area properties. The general consensus; however, is that the area will fare much better with regard to price changes than many areas of the country or within Maryland because of the proportion of government related and high tech jobs. Potential purchasers and business owners appear more confident with respect to current economic conditions. However, the Trump administration intends to reduce the size of the federal government that may affect Maryland

residents, although many are employed in defense related agencies that are expected to see an increase in funding by the current administration. The subject neighborhood has adequate service amenities available, including schools, fire stations, religious facilities, hospitals and libraries.

Commercial Development

Commercial development consists of regional and local serving retail establishments located along the major roadways in the larger Annapolis area. Development along the Route 50 corridor consists of a number of automobile dealerships, self-storage facilities, hotels, convenience stores featuring gasoline sales, a few office buildings and restaurants. Much of the existing development is located at interchanges with Route 50 with little development at off-ramp locations. Much of the intense commercial and retail development is located in the Parole area of Annapolis. Two notable projects include the Annapolis Towne Centre and Westfield Shoppingtown Annapolis (formerly known as the Annapolis Mall). The Parole area of Annapolis is primarily commercial in nature. Westfield Shoppingtown has had the most influence on the development of the expanded neighborhood over the past 10+ years, spurring additional retail development and making the area one of regional importance. A two level, 110,000 \pm square foot Lord & Taylor Department store was completed in late 1998 as an expansion to the 1,060,000 \pm square foot mall. However, the retailer recently vacated the mall in April 2018. The space is reportedly offered for lease at \$65.00 per square foot.

Given the substantial and diverse forms of development in the area, Parole not only serves as a regional shopping area, but has also become a major employment center over the past ten years. Other major redevelopment plans included the Annapolis Towne Centre at Parole is a large mixed use project in the larger Annapolis area. Ground was broken in December 2005 on the \$400 million project that is planned to include more than 1,700,000 square feet of building improvements, including 625,500 square feet of retail, 91,700 square feet of offices, a 200 room hotel, 630 residential units and 5,510 parking spaces. Whole Foods, Target, P.F. Chang, Bed, Bath & Beyond, and Anthropologie are some of the existing tenants in the Main Street style project. As part of the project, residential condominiums and apartments were also constructed in two towers. Additionally, the Crosswinds at Annapolis Towne Center is a recent apartment project that consists of 215 units. The site contains an area of 1.8155 acres or 79,084.7 square feet that sold at a price of \$7,500,000 indicating a rate of \$34,884 per potential unit.

More recent development includes a Patient First along West Street on the site of a former bank building. In addition, a luxury apartment complex containing a gross building area of 450,000 square feet divided into 293 units is complete on a site at Holly Avenue and north of West Street. Units are available at prices of \$1,620 to \$2,550 per month for the studio, one bedroom or two bedroom apartments. In addition, a medical marijuana dispensary is complete on West Street a short distance east of Route 2.

Commercial Vacancy Rates

Vacancy levels and rental rates in the larger commercial market are tracked by CoStar, a number of brokerage firms as well as local government offices. The Economic Development Corporation (EDC) for Anne Arundel County tracks office, industrial and flex vacancy rates in the county; segregated rates for Annapolis are not available. According to the EDC, the county office vacancy rate averaged 11.4% as of the fourth quarter of 2017 (the latest available) and is lower than the 12.5% rate that characterized the market as of the fourth quarter of 2016. The flex vacancy rate increased to 9.2% as of December 2017 from a rate of 8.2% at the end of 2016. Finally, the

industrial vacancy rate also increased to 9.2% as of December 2017 as compared to a rate of 8.7% as of December 2016 according to the EDC.

Office Market

The Baltimore metropolitan area benefitted from new jobs created as part of the Base Realignment and Closure Program (BRAC), as the area was chosen for the increased defense related employment because of the educated work force and proximity to Washington, D. C. Maryland state officials projected a total of 8,200 direct jobs to be created at the Aberdeen Proving Ground in Harford County and 5,700 jobs at Fort George G. Meade in Anne Arundel County. New employees relocated to the proving ground beginning in 2009 with a big spike of workers arriving in 2010 and 2011. Fort Meade received the bulk of its jobs in 2011. As of early 2012, BRAC relocations of 5,695 jobs at Fort Meade are complete. Additional employment included 2,320 positions as part of the U.S. Cyber Command; NSA growth of 6,680 positions; approximately 10,000 EUL contractor positions on Fort Meade; and 2,000 new positions as part of general growth of the Department of Defense. Prior to BRAC, 35,000 people worked at Fort Meade and according to the Department of Business & Economic Development for the state of Maryland, employment at Fort Meade totaled 56,780 as of 2013.

According to CoStar, a regional database, the larger Annapolis office market (based on the 21401, 21402 and 21403 zip codes) consists of a total of 427 buildings that contain a combined area of 6,731,896 square feet. Vacancy for these buildings as of June 2018 totaled 514,549 square feet indicating a vacancy rate of approximately 7.6%. The vacancy rate increases to 14.7%, if sublet and other available space is included in the vacancy calculation. The market experience negative net absorption of 62,252 square feet of space on leasing activity of 158,388 square feet thus far for 2018. Asking rental rates range from \$16.00 to \$37.00 per square foot with an average rate of \$29.01 per square foot on a full service basis according to CoStar. Full service expenses typically range from \$7.00-\$10.00 per square foot in the local market.

Cushman & Wakefield is an international commercial brokerage firm that tracks office vacancy rates throughout the Baltimore metropolitan area. The subject neighborhood is part of the Greater Annapolis Area submarket that consists of a total of 3,747,152 square feet with 399,952 square feet or 10.7% vacant as of the end of the first quarter of 2018. The submarket gave back a total of 23,736 square feet during the first quarter with 229,800 square feet currently under construction according to the brokerage. The vacancy rate for the subject market, historically one of the lowest in the Baltimore metropolitan area, is now in the middle of the range of vacancy rates, but still commands among the highest asking rental rates. Asking rates average \$30.15 per square foot for Class A space and \$27.12 per square foot on a full service basis over all building classes.

According to Transwestern, a commercial brokerage firm, the Anne Arundel South office market (includes the subject area) consists of a total of 7,349,444 square feet with a direct vacancy level of 12.6% and higher rate of 12.9% if sublet space is included in the vacancy calculation as of the end of June 2018. Transwestern reports that 245,747 square feet of new space is presently under construction in the submarket; the market posted positive net absorption of 21,000 square feet during 2017 and 15,000 square feet during the first two quarters of 2018.

CB Richard Ellis also reports on office vacancy rates throughout the Baltimore metropolitan area in its publication *Market View Baltimore Office*. According to the geographic delineation of the brokerage, the subject area is part of the Annapolis office submarket. The market contains a

combined area of 2,409,359 square feet with an overall vacancy rate of 10.1% at the end of the first quarter of 2018. The market posted positive net absorption of 4,222 square feet during the quarter with 128,950 square feet of new office space currently under construction. Asking rental rates for Class A space average \$28.59 per square foot while rates over all building classes average \$28.16 per square foot on a full service basis in the Annapolis submarket. By comparison, the entire Baltimore metropolitan office market is operating at an overall vacancy rate of 14.3% with asking rates averaging \$24.29 per square foot for Class A space and \$22.62 per square foot over all building classes on a full service basis.

Rental rates for the better quality office buildings in the Annapolis submarket typically range from \$20.00 to \$35.00+ per square foot on a full service basis for new buildings with a pre-determined expense stop typically in the range of \$7.00 to \$10.00 per square foot. Older buildings or those with limited parking, lease at rates of \$12.00 to \$22.00 per square foot on a full service basis. It is also common practice to add a core factor to the net usable area of the leased space to reflect each tenant's proportionate share of common areas. The core factor typically ranges from 10% to 12% of the net rentable area in this market. Historically, the market was unwilling to compensate property owners for core areas of greater than 12%; however, as building designs become more distinctive and feature amenities like fitness rooms, tenants were more willing to contribute to higher core factors. In addition, area landlords are attempting to shift utility costs to the tenants as a way of controlling escalating energy expenses. However, with higher vacancy rates tenants are negotiating for free rent, reduced rates and higher tenant improvement allowances; however, the total amount of concessions continues to decline.

Industrial Market

According to an analysis of CoStar statistics, the Annapolis warehouse market consists of a total of 40 buildings that together contain a combined area of 800,920 square feet. Direct vacancy is reported at 2.9% for these buildings as of June 2018; however, the vacancy rate increases to 4.7% if sublet and other space are included in the calculation. The market gave back a total of 7,791 square feet on 12,964 square feet of leasing activity thus far for the year. Rental rates range from \$11.00 to \$14.75 per square foot within the warehouse submarket based on an analysis of CoStar statistics.

The Annapolis flex market contains an area of 1,573,604 square feet in 60 buildings based on an analysis of CoStar statistics. A total of 126,430 square feet, or 8%, is vacant as of June 2018; the vacancy rate increases to 9.6% when sublet space is included in the calculation. The market absorbed a total of 8,204 square feet thus far for 2018 on 34,186 square feet of leasing activity. Flex rental rates range from \$14.00 to \$14.50 per square foot with an average rate of \$14.25 per square foot on a modified gross expense basis according to an analysis of CoStar statistics.

Transwestern also reports on vacancy rates for industrial/flex space in the Baltimore metropolitan area. The subject property is part of the Anne Arundel South submarket that contains a combined area of 4,476,252 square feet. The direct vacancy rate for the submarket averaged 4.2% as of June 2018; the vacancy rate remains unchanged with the inclusion of sublet space. The submarket absorbed 45,000 square feet during 2017 and 13,000 square feet during the first six months of 2018. Asking rentals for industrial spaced averaged \$16.03 per square foot on a triple net basis and is the highest among the surveyed submarkets. According to the brokerage, no new industrial or flex space is currently under construction in the submarket.

CB Richard Ellis also reports on industrial vacancy rates throughout the Baltimore metropolitan area in its publication *Market View Baltimore Industrial*. According to the brokerage, the Baltimore flex market consists of a total of 32.3 million square feet with an overall vacancy rate of 7% as of the end of March 2018. The market posted positive net absorption of 345,551 square feet during the first quarter of the year. Asking rental rates average \$9.85 per square foot on a triple net expense basis as of the end of the first quarter of 2018. According to CBRE, the Baltimore metropolitan warehouse market contains a total combined area of 133.3 million square feet with an overall vacancy rate of 6.7% as of the end of March 2018. The entire warehouse market posted positive net absorption of 755,377 square feet during the first three months of 2018. Asking rental rates for warehouse space average \$5.31 per square foot on a triple net basis in the Baltimore metropolitan area.

Based on the geographic delineation of the brokerage, the subject neighborhood is part of the Annapolis submarket that consists of 1,263,598 square feet and accounts for 3.9% of all space in the metropolitan area flex market. Overall vacancy in the Annapolis flex submarket averages 11.6% for the first quarter of 2018 and is one of the highest vacancy rates within the surveyed submarkets. The subject submarket posted positive net absorption of 2,787 square feet for the first three months of 2018. Asking rentals average \$10.41 per square foot on a triple net basis in the flex submarket with no new space currently under construction in the corridor market according to the brokerage.

The Annapolis warehouse market contains a combined area of 509,191 square feet with a vacancy rate of 1.8% as of the end of March 2018 according to CB Richard Ellis. The area submarket is relatively stable, but gave back a total of 1,260 square feet during the first quarter. According to the brokerage, no new warehouse space is currently under construction in the submarket. Asking rentals for area warehouse space average \$8.71 per square foot on a triple net basis according to CBRE.

Retail Market

Based on an analysis of CoStar statistics, the Annapolis retail market consists of a total of 481 buildings that together contain a combined area of 7,625,100 square feet. As of June 2018, retail vacancy totals 192,827 square feet indicating a rate of 2.5%; the rate increases to 3.7% if sublet and other available space is included in the vacancy calculation. The market gave back a total of 25,826 square feet on leasing activity of 73,559 square feet thus far for 2018. Rental rates range from \$10.00 to \$50.00 per square foot with an average rate of \$30.96 per square foot on a triple net basis based on the CoStar statistics.

According to MacKenzie, a regional brokerage firm that tracks retail, office and industrial rental rates and vacancy levels throughout the area, the entire Baltimore metropolitan market consists of a total of 9,849 retail buildings with a combined area of approximately 134.2 million square feet as of the end of the first quarter of 2018. The entire Baltimore market is operating at a direct vacancy rate of 3.9% as of the end of March 2018 that is down from a rate of 5.04% as of the end of September 2015. The sublet vacancy rate currently stands at 5.4% for the Baltimore area. The metropolitan market gave back a total of 133,231 square feet thus far for 2018. The average asking rental rate of \$20.32 per square foot on a triple net basis is higher than the rate that characterized the market one year earlier. The subject is part of the Annapolis submarket according to the geographic delineation of the brokerage. According to MacKenzie, the Annapolis retail submarket is operating at a direct vacancy rate of 3.3% as of the end of the first quarter of 2018 and a higher sublet rate of 4.6%. The Annapolis retail submarket includes 829 buildings with a combined area of 13,603,915 square feet as of the end of the March 2018 according to the brokerage. The market experienced

negative absorption of 24,677 square feet during the first quarter with an average asking retail rental rate of \$22.85 per square foot on a triple net basis.

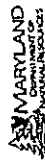
Conclusion

In conclusion, the Annapolis area will continue to be the center of local and state government, although services and tourism will also grow in importance. Increases in population counts and the number of households will continue to be modest because of the lack of available development land and the large number of institutional and government facilities located within the neighborhood. Redevelopment of existing improved parcels will become more prevalent as much of the land area is already improved. The area is a desirable location because of the quality of life and access to water-related activities. Residential parcels will continue to be developed with multifamily or townhome uses because of the relative scarcity of building sites and development land. In conclusion, as the growth of the area continues, the already limited supply of land available for residential, industrial or commercial development will diminish further, enhancing property values in the neighborhood.

PROPERTY DESCRIPTION

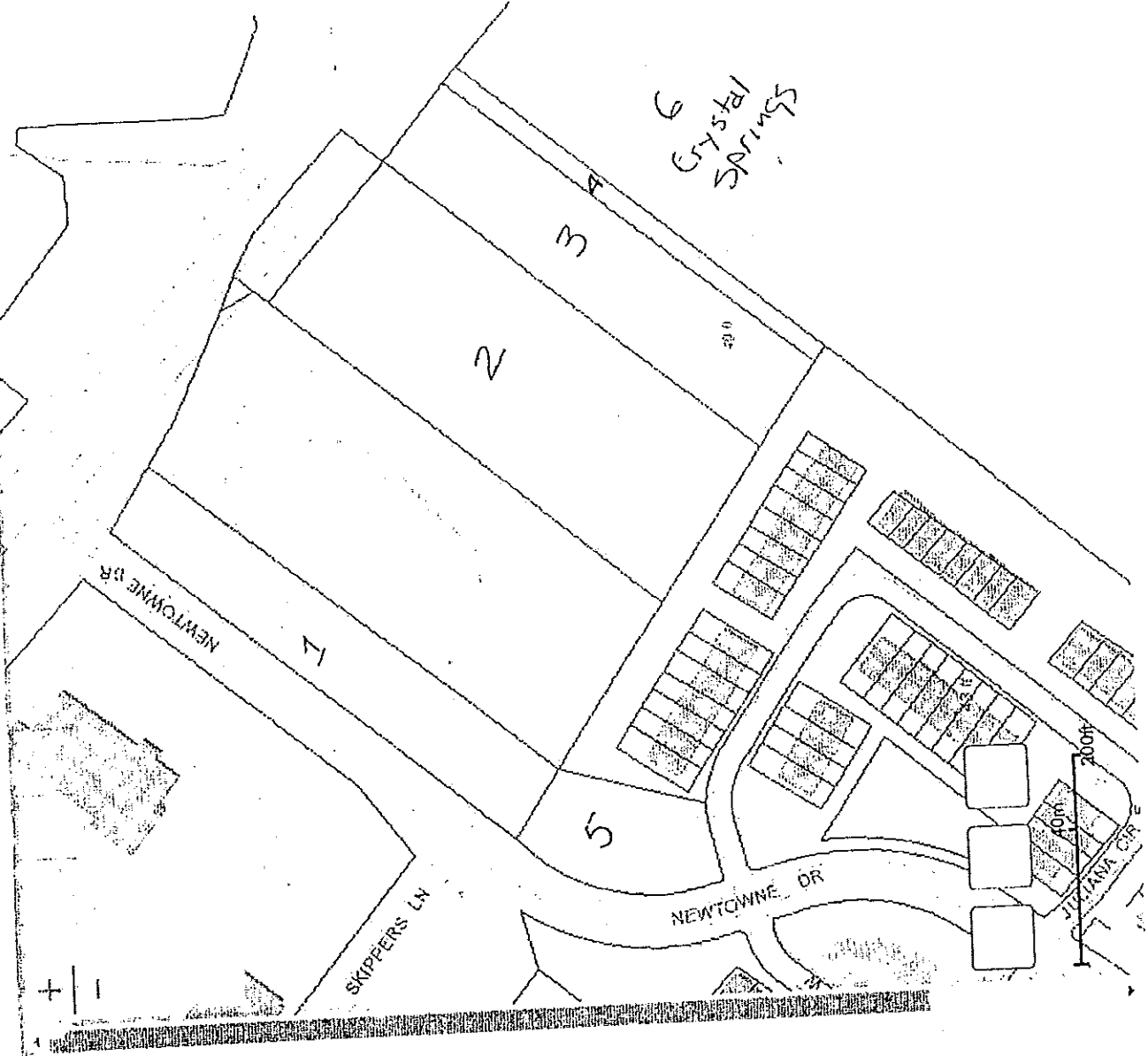
The subject property consists of three parcels identified as Sites 1 through 4 as shown on a drawing provided by the city of Annapolis. Following is an outline description of the subject property.

<i>Location</i>	The subject property is identified on Anne Arundel County Tax Map 51E, Block 23 as Parcels 1769, 1813 and 2355 in the Sixth Assessment District.
<i>Drawing</i>	The property is further identified as Sites 1, 2, 3 and 4 as shown on the drawing provided by the city of Annapolis on the following page. Parcel 1769 is identified as Site 2 on the plat while Parcel 1813 is designated as Site 3. Parcel 2355 comprises Sites 1 and 4.
<i>Land Areas</i>	Parcel 1769: 1.742 acres or 75,882 square feet (Site 2) Parcel 1813: 0.833 acres or 36,285 square feet (Site 3) Parcel 2355: 0.730 acres or 31,834 square feet (Site 1) Parcel 2355: 0.150 acres or 6,576.3 square feet (Site 4) Site 1 is valued as an independent parcel and contains an area of 0.73 acres or 31,834 square feet. Sites 2 through 4, inclusive, contain a combined area of approximately 2.725 acres or 118,743.3 square feet.
<i>Shape</i>	Rectangular for each
<i>Frontage</i>	Site 1: 66.02± feet along the south side of Forest Drive and 478.26± feet along the east side of Newtowne Drive based on the recorded plat of the Rider's Glen subdivision; no existing curb cut from Forest Drive or Newtowne Drive Site 2: 165.5± feet along the south side of Forest Drive Site 3: 89.74± feet along the south side of Forest Drive Site 4: 11.12± feet along the south side of Forest Drive



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Q



Maryland's Environmental Resources and Land Information Network

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MERLIN online is a compilation of data from many sources.

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410-260-8985

Cynthia B. Powell
MD Department of Natural Resources

Topography

Level

Soil Classifications

According to the *Web Soil Survey* published by the United States Department of Agriculture, Natural Resources Conservation Service, the dominant soils comprising the subject property consist of the Annapolis and Donlonton varieties. Annapolis-Urban Land Complex (AuB with 0 to 5 percent slopes) presents slight limitations for development with dwellings with basements, moderate limitations for development with dwellings without basements, small commercial buildings, or roads and streets and severe limitations for on-site septic facilities. Urban land is not rated. Donlonton soils (DnA with 0 to 2 percent slopes) present moderate limitations for development with homes with basements, roads and highways or streets and parking lots because of the moderately high seasonal water table and severe limitations for development with on-site disposal of sewage effluent because of the moderately slow to slow permeability and moderately high seasonal water table. However, it is an assumption that the subject property is capable of supporting dwelling units given the surrounding, long standing development on surrounding properties on similar soils.

*Environmental
Assessment*

To my knowledge, a Phase I environmental site assessment had not been conducted on the subject property as of the effective date. Because of the lack of an environmental assessment, this appraisal is contingent on there being no hazardous environmental conditions on any of the sites comprising the subject property. If subsequent information indicates that this contingency is incorrect, then this appraisal and any estimate of value contained herein may need to be qualified or amended.

Flood Hazard Area

The subject property lies entirely within a Zone X flood hazard area as determined by the Federal Emergency Management Agency (FEMA) as shown on flood map panel 24003C 0234F with an effective date of February 18, 2015. Zone X denotes areas outside the 100 year flood.

Critical Area

The subject property lies outside the limits of the Chesapeake Bay Critical Area.

Airport Noise Zone

The subject property lies outside the limits of the Airport Noise Zone (ANZ) that surrounds BWI.

Utilities

Public water, sewer, telephone and electricity are available to the property.

Immediate Area

The immediate neighborhood of the subject property is developed with a mixture of residential, institutional and commercial uses. The property adjoins the Rider's Glen townhome subdivision to the south, an American Legion post that adjoins both Sites 1 and 2, Village Greens, a mixed commercial and residential project to the west across Newtowne Drive and a religious facility as well as scattered commercial uses and apartments further north. Much of the Forest Drive frontage in the vicinity of the subject property is commercially developed. The Crystal Spring project is planned

east of the subject site and was to consist of a continuing care retirement community and a mixed use component. With citizen opposition, the National Lutheran Communities and Services decided to develop the CCRC independent of the mixed use portion of the plan. For the CCRC, development is to consist of two phases with overall development consisting of 382 age restricted units and 48 health care units that will provide housing for approximately 500 seniors. The CCRC is not approved. The future of the mixed use portion of the project is uncertain at this time.

Improvements The subject sites are unimproved.

Development The property representative provided possible layouts for development of Sites 2, 3 and 4. One rendering showed development consisting of 146 apartments or multifamily units. Another layout included development of the property with nine single family sites and 19 townhome lots for a total yield of 28 dwelling units. Finally, McLaren Engineering Group showed five possible unit layouts for Sites 2, 3 and 4 of the subject property. In each, a maximum yield of 31 units is projected assuming a rezoning of the R2 land to a R3 classification. The layouts show a yield of 33 or 34 dwelling units with four consisting solely of townhomes; the other included one single family lot, one duplex lot and 30 townhome lots.

TITLE DATA

Deed References

Parcels 1769 and 1813 of the subject property were acquired by deed dated April 21, 2016, as recorded among the land records of Anne Arundel County in Liber 29592, page 1. No consideration was exchanged as the conveyance represents a transfer between related business entities. The property previously transferred on November 12, 2014 for \$585,000 indicating a rate of \$5.22 per square foot of combined land area. The property was acquired from a religious institution that purchased the site for development with a church. However, the church was in financial distress at the sale date.

Parcel 2355 of the subject property was acquired by Annapolis Realty Partners, LLC by deed dated February 24, 2017 as recorded among the land records of Anne Arundel County in Liber 30694, page 466. Consideration as stated in the deed totaled \$20,000 indicating a rate of \$0.52 per square foot of land. According to the broker handling the sale, the property consisted of two non-contiguous sites of no use to the seller and explains the low price.

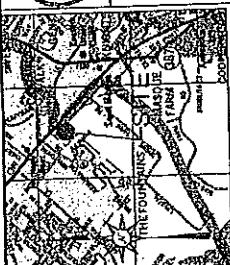
To my knowledge, there have been no recorded transfers of the subject property within the preceding three years. Copies of the recorded deeds to the property are included in the appendix to this report.

Listings and Contracts

Sites 2, 3 and 4 are quietly marketed for sale at a price of \$2,500,000 indicating a rate of \$21.05 per square foot of combined land area. Site 1 is not listed for sale or under contract as of the effective date to my knowledge.

Q22	KNOWLEDGE TEST
Q23	10 QUESTIONS
Q24	10 QUESTIONS
Q25	10 QUESTIONS
Q26	10 QUESTIONS
Q27	10 QUESTIONS
Q28	10 QUESTIONS
Q29	10 QUESTIONS
Q30	10 QUESTIONS

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(410) 224-7497 • Fax (410) 224-7480
Capehart, Va. • Washington, Va.

[illegible]

SCHEDULE "B" EXCEPTIONS.

- AS TO THESE CDS.
5. Approved to be Submitted for the Subject's Review of the following CDS:
 - a. CDS 1771, 1772, 1773, 1774, 1775, 1776, 1777, 1778, 1779, 1780, 1781, 1782, 1783, 1784, 1785, 1786, 1787, 1788, 1789, 1790, 1791, 1792, 1793, 1794, 1795, 1796, 1797, 1798, 1799, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1813, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1831, 1832, 1833, 1834, 1835, 1836, 1837, 1838, 1839, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444

LEGAL DESCRIPTION

As all items listed are prepared at the time of the audit, the following are the results of the audit:

FINANCIAL STATEMENTS

The financial statements of the company for the year ended 31st March 2019, were audited by the auditor, who is a member of the Institute of Chartered Accountants in England and Wales, and the results of the audit are as follows:

Profit and Loss Account

The profit and loss account for the year ended 31st March 2019, was audited by the auditor, who is a member of the Institute of Chartered Accountants in England and Wales, and the results of the audit are as follows:

Balance Sheet

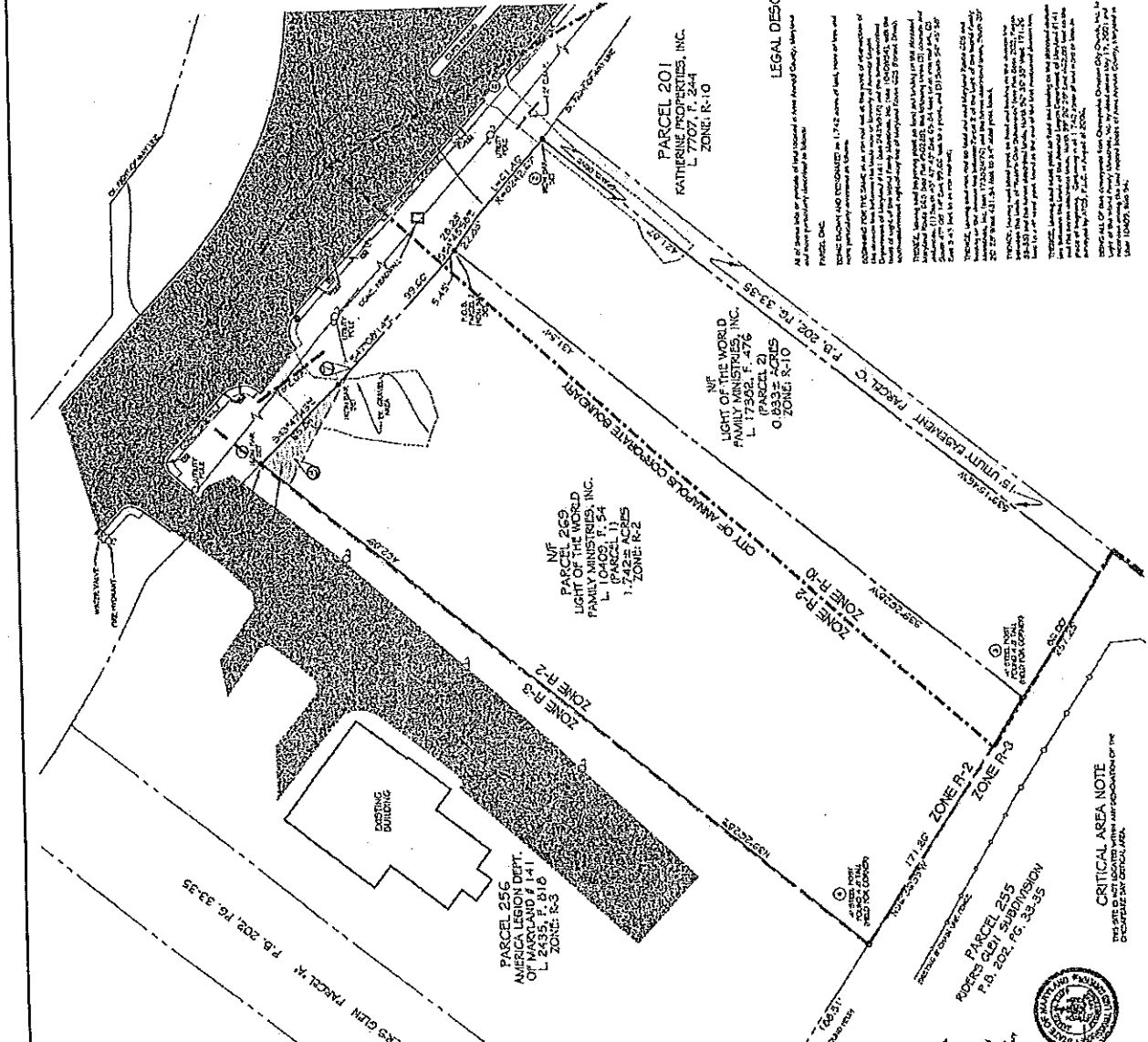
The balance sheet for the year ended 31st March 2019, was audited by the auditor, who is a member of the Institute of Chartered Accountants in England and Wales, and the results of the audit are as follows:

Notes to the Financial Statements

The notes to the financial statements for the year ended 31st March 2019, were audited by the auditor, who is a member of the Institute of Chartered Accountants in England and Wales, and the results of the audit are as follows:

Conclusion

The auditor has audited the financial statements of the company for the year ended 31st March 2019, and has found that they are true and fair, and that the company has complied with the requirements of the Companies Act 2006.



1 N 47° 10' 31.7
E 144° 52' 53

2 N 47° 01' 37.5
E 144° 56' 17.64

3 N 47° 33' 44.5
E 144° 52' 0.05

4 N 47° 38' 28.69
E 144° 51' 35.66

FLOOD ZONE NOTE
 DISTRICT ENGINEER'S OFFICE ON APPEALS TO UK

240009-003-C, SATED MAY 2, 1963, FOR ALICE ARNOLD,
CO FORD, MARYLAND.

ZONING NOTE
 WITHOUT ZONING FOR THIS PARCEL

[illegible]

SURVEYOR'S CERTIFICATION

[illegible]

CRITICAL AREA NOTE

DO NOT TAKE ANY OTHER MEDS

The property representative provided two letters of intent to purchase combined Sites 2, 3 and 4. The first, dated July 28, 2015, offered a price of \$3,520,000 indicating a rate of \$32,000 per approved apartment unit. The second, dated November 7, 2017, offered a price of \$2,250,000 for the sites in "as is" condition. Settlement under this LOI would be contingent on receipt and approval of any necessary developer's agreement and financing.

The subject property is not under contract at this time to my knowledge.

Easements and Restrictions

The property is subject to typical utility easements for the installation of public water, sewer, telephone and electricity. These easements are typical of residentially or commercially zoned properties and do not affect the marketability or utility of the sites.

Encumbering Leases

To my knowledge, the subject sites are vacant and not leased as of the effective date.

ASSESSMENTS AND TAXES

All tax assessments are established by the State Department of Assessments and Taxation (SDAT) with tax rates set by the individual jurisdictions. Assessments for the 2017-18 tax year are based on 100% of full cash value and all properties within Annapolis are reassessed once every three years. The current real property tax rate for the city of Annapolis for the tax year beginning July 1, 2017 and ending June 30, 2018, is \$0.649 per \$100.00 of assessed valuation (city), \$0.544 per \$100.00 of assessed valuation (county) and \$0.112 per \$100.00 of assessed valuation (state) for a total tax rate of \$1.305 per \$100.00 of assessed value. Following are the current assessments for the subject property.

Account Number 6-702-90099221 (Site 1)

Land:	\$7,300
Improvement:	\$ <u>0</u>
Assessment:	\$7,300 (Fiscal Year 2018)
Assessment:	\$7,300 (Fiscal Year 2019)
Assessment:	\$7,300 (Fiscal Year 2020)
Assessment:	\$7,300 (Fiscal Year 2021)

Real estate taxes for Fiscal Year 2018 total \$95.27 or \$114.37 per acre of land area and were paid in full on August 4, 2017 for the account. The property was reassessed as of January 1, 2018 for FY19-FY21. The full cash value remained unchanged when reassessed; therefore, there will no phase of the assessment.

Account Number 6-000-90102218 (Site 2)

Land:	\$ 87,700
Improvement:	\$ <u>0</u>
Assessment:	\$ 87,700 (Fiscal Year 2018)
Assessment:	\$137,700 (Fiscal Year 2019)
Assessment:	\$187,700 (Fiscal Year 2020)
Assessment:	\$237,700 (Fiscal Year 2021)

Real estate taxes for Fiscal Year 2018 total \$1,144.48 or \$0.01 per square foot of land area based on the size of 1.77 acres included in the assessment record for the parcel. Real estate taxes were paid in full on August 4, 2017 for the account. The property was reassessed as of January 1, 2018 for FY19-FY21. The full cash value increased when reassessed; therefore, the increase will be phased in over the three year cycle.

Account Number 6-000-06316800 (Site 3)

Land:	\$ 79,400
Improvement:	\$ <u>0</u>
Assessment:	\$ 79,400 (Fiscal Year 2018)
Assessment:	\$129,400 (Fiscal Year 2019)
Assessment:	\$179,400 (Fiscal Year 2020)
Assessment:	\$229,400 (Fiscal Year 2021)

Real estate taxes for Fiscal Year 2018 total \$1,036.18 or \$0.03 per square foot of land area based on the size included in the assessment record for the parcel. Real estate taxes were paid in full on August 4, 2017 for the account. The property was reassessed as of January 1, 2018 for FY19-FY21. The full cash value increased when reassessed; therefore, the increase will be phased in over the three year cycle.

Account Number 6-702-90099222 (Site 4)

Land:	\$1,500
Improvement:	\$ <u>0</u>
Assessment:	\$1,500 (Fiscal Year 2018)
Assessment:	\$1,500 (Fiscal Year 2019)
Assessment:	\$1,500 (Fiscal Year 2020)
Assessment:	\$1,500 (Fiscal Year 2021)

Real estate taxes for Fiscal Year 2018 total \$19.58 or \$130.53 per acre of land area and were paid in full on August 4, 2017 for the account. The property was reassessed as of January 1, 2018 for FY19-FY21. The full cash value remained unchanged when reassessed; therefore, there will no phase of the assessment.

Conclusion

The tax rate for FY19 for properties within the city of Annapolis will increase to \$1.391 per \$100.00 of assessed valuation comprised of a rate of \$0.738 per \$100.00 of assessed valuation (city), \$0.541 per \$100.00 of assessed valuation (county) and \$0.112 per \$100.00 of assessed valuation (state).

Property taxes for the four sites will total \$3,837.77 for FY19 given the phase in assessments and FY19 tax rates.

ZONING

According to the Department of Planning and Zoning for the city of Annapolis, Site 1 of the subject property is entirely zoned R3, General Residence District. Sites 2, 3 and 4 are split zoned R2, Single Family Residence District and R3, General Residence District. Following are descriptions of the zoning classifications.

R2, Single Family Residence District

Site 2 of the subject property is zoned R2, Single Family Residence District. The purpose of the zoning district is to provide for single family detached dwellings at a maximum density of eight units per acre and other uses compatible with single family neighborhoods in the City.

Uses

Single family detached dwellings; cemeteries; religious institutions; public schools and colleges, among others, are permitted in an R2 district. Private colleges; day care centers; hospitals and sanitariums; institutions for the care and treatment of alcoholics, drug addicts and the mentally ill; non-commercial recreational and social clubs; and rest and nursing homes are permitted by special exception. Residential and special mixed planned unit developments are permitted subject to additional standards.

Bulk Regulations

Bulk regulations require a minimum lot size of 5,400 square feet and lot width of at least 50 feet for single family dwellings and day care centers. The minimum lot size increases to 20,000 square feet with a minimum lot width of 100 feet for recreational and social buildings, and religious institutions. A lot size of at least 40,000 square feet with a width of 120 feet is required for development of health and medical institutions. Inns require a minimum lot area of two acres with height limited to no more than 35 feet or 2.5 stories. Requirements for single family development include a front yard of at least 25 feet, interior side yard of 6 feet or more or at least 15 feet for a corner lot, and a rear yard of 30 feet. For planned developments, the bulk regulations are determined through the planned development process.

R3, General Residence District

The remainder of the property is zoned R3, General Residence District. The purpose of the zoning district is to provide for single family and two family detached dwellings at a maximum density of eight units per acre and other uses compatible with these neighborhoods of the city including single family attached and multifamily dwelling units at higher permitted densities.

Uses

Single family detached dwellings; two family dwellings; religious institutions; public schools and colleges, among others, are permitted in an R3 district. Private colleges; day care centers; single

family attached and multifamily dwellings; hospitals and sanitariums; institutions for the care and treatment of alcoholics, drug addicts and the mentally ill; and rest and nursing homes are some of the uses permitted by special exception. Residential and special mixed planned unit developments are permitted subject to additional standards.

Bulk Regulations

Bulk regulations require a minimum lot size of 5,400 square feet and lot width of at least 50 feet for development with single family dwellings and day care centers. The minimum lot size increases to 7,200 square feet with a width of at least 50 feet for two family dwellings or 20,000 square feet with a minimum lot width of 100 feet for recreational and social buildings, and religious institutions. For multifamily and single family attached dwellings, density is computed on a rate of 3,600 square feet per unit for a maximum density of 12 units per acre. A lot size of at least 40,000 square feet and width of 120 feet is required for development of health and medical institutions. Inns require a minimum lot area of two acres with height limited to no more than 35 feet or 2.5 stories. Yard requirements for single family development include a front yard of at least 25 feet, interior side yard of 5 feet or more or at least 15 feet for a corner lot, and a rear yard of 30 feet. Height is limited to 2.5 stories not to exceed 35 feet for single family development. For planned developments, the bulk regulations shall be determined through the planned development process.

Conclusion

The existing use of the property as unimproved sites is permitted within the R2 and R3 zoning districts.

***Section C:
Appraisal Analysis and
Value Conclusions***

HIGHEST AND BEST USE

Highest and best use is defined in *The Dictionary of Real Estate Appraisal*, (Sixth Edition, page 109, 2015) as:

The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

An analysis of the highest and best use of a property is the most important part of the appraisal process, for it is in terms of highest and best use that market value is estimated. The highest and best use of the subject property, as unimproved or as improved, is selected from among those uses that are physically possible, legally permissible, financially feasible and provide the greatest return to the land.

HIGHEST AND BEST USE, AS UNIMPROVED

Physically Possible

The subject property consists of three parcels divided into four sites identified as Sites 1, 2, 3 and 4. Site 1 (part of Parcel 2355) is appraised as a single, independent site while Sites 2, 3 and 4 (Parcels 1769, 1813 and part of Parcel 2355) are valued as a combined site. Site 1 is a rectangular parcel of land that contains an area of 31,834 square feet or 0.73 acres of land that is level, wooded and at road grade. The property is platted as Parcel B of Rider's Glen, a townhome subdivision. Site 1 has frontage along the south side of Forest Drive of 66.92 feet and along the west side of Newtowne Drive of 478.26 feet. Public utilities are available. The existing soils are assumed capable of supporting buildings as evidenced by the surrounding development on similar soils. The property lies outside the limits of the Chesapeake Bay Critical Area and is not within a flood hazard area. Given the physical characteristics of the subject, Site 1 could accommodate a variety of uses.

Sites 2, 3 and 4 contain a combined area of 118,743.3 square feet or approximately 2.725 acres of land that is level, mostly cleared and at road grade. Sites 2, 3 and 4 have frontage along the south side of Forest Drive of 266.36 feet as combined. Public utilities are available. The existing soils are assumed capable of supporting buildings as evidenced by the surrounding development on similar soils. The property lies outside the limits of the Chesapeake Bay Critical Area and is not within a flood hazard area. Given the physical characteristics of the subject, Sites 2, 3 and 4 could accommodate a variety of uses.

Legally Permissible

Site 1 of the subject property is entirely zoned R3, a residential classification that permits residential development as well as some institutional or special purpose uses by special exception. Performance standards require a minimum land area of 5,400 square feet and lot width of at least 50 feet for single family development. Site 1 would meet the minimum lot size and width requirements and would meet the front and rear setbacks required for development in the district if the dwelling is oriented to Forest Drive. The front and rear setbacks could not be met if the dwelling is sited toward Newtowne Drive. Few uses would be physically possible and legally permissible on the subject property because of the narrow width.

Sites 2, 3 and 4 as combined are split zoned R2 and R3, classifications that permit residential and institutional development. Bulk regulations for development in an R2 district require a 25 foot front yard setback and a 30 foot rear yard and could be accommodated on the site. Density is permitted at a rate of up to eight residential units per acre. Therefore, a total of 13 units would be legally permissible on Site 2 (density of 8 units per acre x 1.742 acres). The remainder of this portion of the subject property is zoned R3 with a maximum density of 12 units per acre. The maximum yield from the R3 area would be 11 units (density of 12 units per acre x 0.983 acres). Therefore, a total of 24 units would be permitted from the sites by right. The property would be developed as part of a residential planned unit development. According to a representative of the property owner, various development schemes include 33-34 units consisting of mostly attached product. Development at this yield would require a variance to increase the permitted density. A number of uses are physically possible and legally permissible on the subject site.

Financial Feasibility

The number of feasible uses is limited for Site 1 of the subject property given the physical characteristics and current zoning. The site has limited utility for independent development given the narrow width making it difficult to meet setback and other yard requirements. Feasible uses for this portion of the subject property would include use in meeting forest conservation or similar considerations in conjunction with a residential development on Sites 2, 3 and 4 that is under the same ownership. Therefore, continuation of the existing use, absorption by the adjoining owner or single lot development would be possible for Site 1. However, the site abuts only one owner who does not appear to need the site and would discount the price paid because of the limited number of buyers under an absorption scenario.

Residential development would be possible for Sites 2, 3 and 4 as combined. Development would most likely take the form of a townhome development given the location along Forest Drive and the greater lot yield for a project consisting of attached units as compared to single family detached units. More recent residential development along Forest Drive consists of townhome units and this use would be permitted as part of a PUD on the subject site. Residential development is financially feasible for Sites 2, 3 and 4 as a combined parcel.

Highest and Best Use, As Vacant

Therefore, the highest and best use of Site 1 of the subject property, as unimproved, is for single lot development and/or to meet forest conservation or similar requirements in conjunction with a residential subdivision of Sites 2, 3 and 4. The highest and best use of Sites 2, 3 and 4 is for residential development with a 24 residential dwelling units as part of a planned unit development. The opinion of highest and best use is physically possible, legally permissible, financially feasible and provides the greatest return to the land.

APPROACH TO VALUE

The cost, sales comparison and income capitalization approaches are typically considered in the appraisal of real estate. The cost approach is based on the understanding that market participants relate value to cost. In the cost approach, the value of the land is added to the current replacement or reproduction cost of the improvements after deducting depreciation from all causes attributable to the building. Entrepreneurial incentive may be included as part of the value estimate. The cost approach is particularly useful in estimating the value of new or well maintained properties or for property types that transfer infrequently such as churches, funeral homes or other special purpose uses.

The sales comparison approach is based on the principle that value is directly related to the prices paid for competitive or comparable properties. Value is estimated using the sales comparison approach by analyzing the market for similar properties and comparing these properties to the subject property. Comparative analysis focuses on market reactions to the similarities and differences that influence value. Elements of comparison may include the property rights conveyed, motivations of buyers and sellers, physical attributes, location and income characteristics.

The income capitalization approach measures the present value of future benefits. There are two methods of income capitalization. Direct capitalization is a method that converts income for a single year into a value indication. Yield capitalization is a method that discounts future periodic income streams at an appropriate rate for an indication of the value of the property under consideration. Market participants may use some combination of both direct and yield capitalization in analyzing investment alternatives.

The subject property is not valued by the cost approach as the sites are unimproved. The approach is most applicable to improved sites where the improvements represent the highest and best use of the property. The subject property is not valued by the income capitalization approach as similar sites are not purchased for the generation of income from leasing the sites.

The values of the subject sites are based on the sales comparison approach only. Following is the valuation of the subject property.

ESTIMATED VALUE BY THE SALES COMPARISON APPROACH

The sales comparison approach is an appraisal procedure that compares recent sales of similar properties to the subject for an indication of value for the property under consideration. The principle of substitution holds that the value of a property tends to be set by the prices paid for properties of similar utility and desirability. The sales comparison approach is applicable to the valuation of all types of real estate, provided that an adequate number of sales occurs within the market. The sales comparison approach is more reliable for properties where there are an adequate number of transfers to indicate pricing levels and trends in the market.

The procedure for employing the sales comparison approach includes: (1) researching the market for sales, listings and contracts to find comparable sales in terms of property type, sale date, size, condition, location and zoning; (2) verifying the data as factual and that the transaction reflects an arm's-length transaction; (3) selecting a relevant unit of comparison; (4) comparing the selected

comparable properties to the subject property or eliminating the comparable; and (5) reconciling the value indications to a point estimate or range of value. The unit of comparison used in valuing Site 1 of the subject property is the price per square foot of land area; Sites 2, 3 and 4 are valued based on a rate per potential residential dwelling unit. Other units of comparison can be used, i.e., price per cubic foot; however, this basis of comparison is not used in the subject market.

According to *The Appraisal of Real Estate* (14th Edition, page 390) "Elements of comparison are the characteristics of properties and transactions that help explain the variance in the prices paid for real property." The ten elements of comparison typically considered in the sales comparison approach include: (1) real property rights conveyed; (2) financing terms; (3) conditions of sale; (4) expenditures made immediately after purchase; (5) market conditions; (6) location; (7) physical characteristics; (8) economic characteristics; (9) use or zoning; and (10) non-realty components of value.

ESTIMATED LAND VALUE

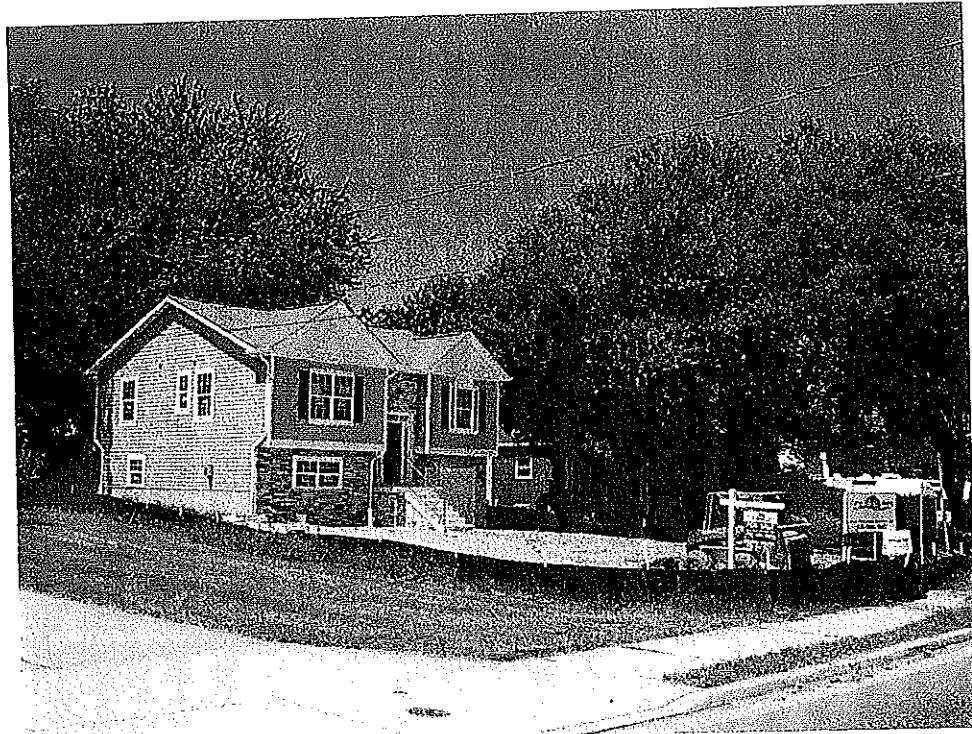
Land value is affected by the appraisal principles of anticipation, change, supply and demand, substitution and balance. The expectation of future benefits and enhancement of value reflects the principle of anticipation. The supply and demand of sites tend toward equilibrium, but prices tend to be set by imbalances of supply and demand at particular times. In short, if sites are scarce, the price increases. Conversely, if sites are abundant and demand limited or non-existent, prices fall. Additionally, the principle of substitution suggests that a purchaser will pay no more for one site than for another of equal utility.

Land is valued as vacant and available for development to its highest and best use. Vacant sites can be valued using the sales comparison approach, allocation or extraction methods, or by income capitalization techniques. The sales comparison approach is the most common technique for valuing land and involves researching, analyzing and comparing recent sales to the subject property. The approach most accurately reflects the way in which unimproved sites are traded in the local market. Numerous sales of unimproved land were investigated; however, the following eight transactions are compared to the subject property to estimate a value of the subject sites. The unit of comparison is the price per square foot of land that is considered most pertinent to this analysis for Site 1 and the rate per potential dwelling unit for Sites 2, 3 and 4, as combined. Sales 1 through 4, inclusive, are compared to Site 1; Sales 5 through 8, inclusive, are compared to Sites 2, 3 and 4 of the subject property. Following are the comparable sales.

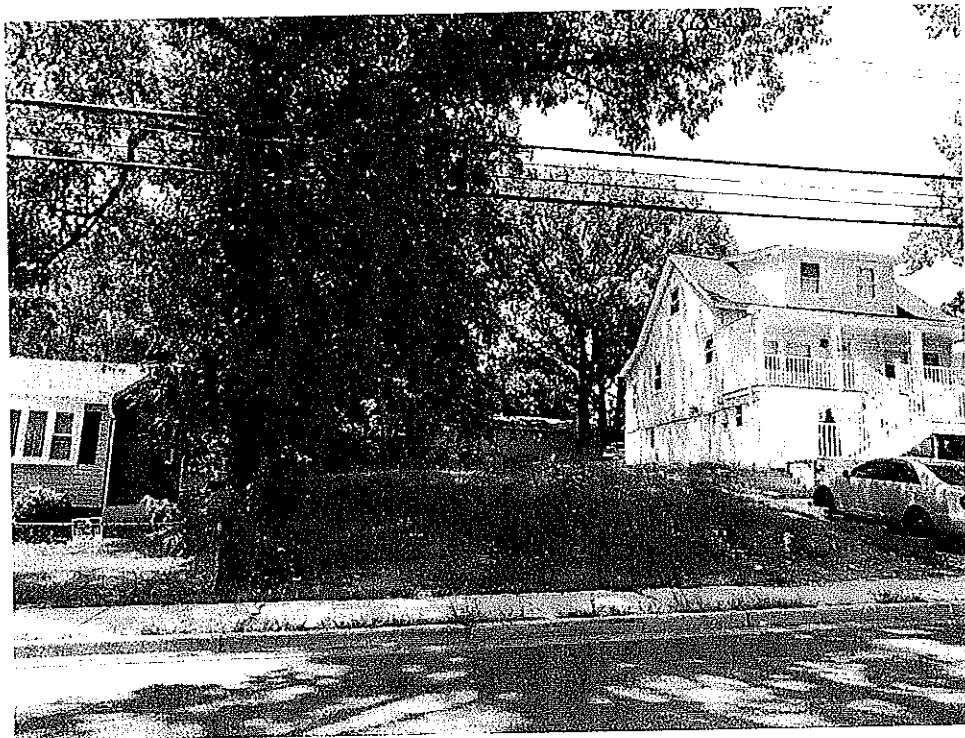


Land Sale 1

<i>Location</i>	1961 Forest Drive; Anne Arundel County TM 51B, Block 20 as Parcel 2027 in the Sixth Assessment District; also identified as Lot 34B as shown on a plat entitled, "Lots 33R, 34R & 35R, Rosewood Subdivision, Plat 2" as recorded in Plat Book 341, page 26; Annapolis, Maryland 21401
<i>Grantor</i>	Georgia P. Pettigrew, by Court Appointed Guardian, Michael McCarthy
<i>Grantee</i>	Kathleen C. Harjess
<i>Recorded</i>	30643/342
<i>Sale Dates</i>	2/10/17; 2/14/17
<i>Land Area</i>	8,024 square feet or 0.184 acres
<i>Zoning</i>	R2, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$60,000
<i>Financing</i>	Cash to the seller
<i>Unit Rates</i>	\$60,000 per single family residential lot \$7.48 per square foot or \$325,723 per acre
<i>Comments</i>	The property was purchased for development with a two story split foyer style dwelling that is now under construction on the site. The lot is mostly rectangular in shape, level, cleared and generally at road grade. The site has frontage along the south side of Forest Drive of 66.20 feet with an average depth of 161.41 feet.
<i>Marketing Period</i>	Property listed at a price of \$100,000 for 126 days prior to contract ratification; no arm's length recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Broker/MRIS, land records and inspection



View of Sale 1



View of Sale 2

Land Sale 2**Location**

2043 Forest Drive; Anne Arundel County TM 51B, Block 19 as Parcel 1904 in the Sixth Assessment District; also identified as Lot 52 as shown on a plat entitled, "Land Near Camp Parole, Subdivided for R. L. Moss" as recorded in Plat Book 3, page 37; Annapolis, Maryland 21401

Grantor

Minnie V. Makell, by Jessica Brooks, AIF

Grantees

Walter Vasquez and Claudia Lorena Isaula

Recorded

31848/34

Sale Dates

1/26/18; 2/1/18

Land Area

5,980 square feet or 0.137 acres

Zoning

R4, General Residence District (Annapolis, Maryland)

Utilities

All public

Improvements

None at time of sale

Sale Price

\$30,000

Financing

Cash to the seller

Unit Rates

\$30,000 per single family residential lot
\$5.02 per square foot or \$218,528 per acre

Comments

The property was purchased for residential development. The lot is rectangular in shape, level and generally at road grade. The site has frontage along the south side of Forest Drive of 60 feet with an even depth of 150 feet; the land area reflects a conveyance of 20 square feet for a widening of Forest Drive. The parcel is lightly wooded.

Marketing Period

Property originally listed at a price of \$57,000 in July 2017 and reduced to \$40,000 and to \$30,000 when placed under contract 178 days later; no arm's length recorded transfers of the property within the three years preceding the sale

Verified

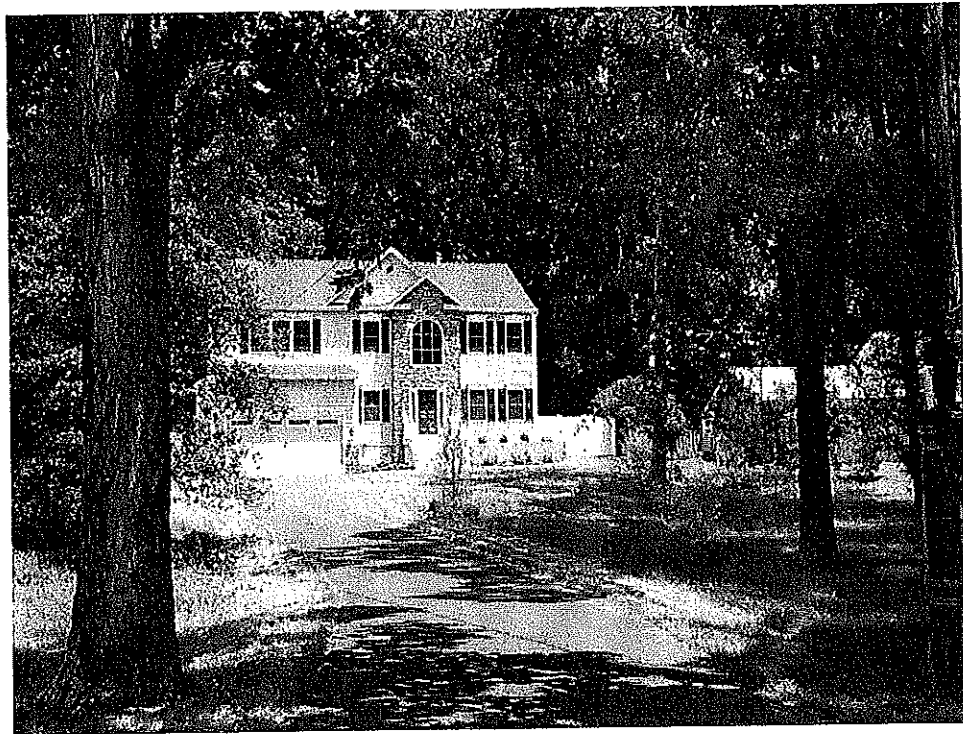
Broker/MRIS, land records and inspection

Land Sale 3

<i>Location</i>	1114 Hoover Street; Anne Arundel County TM 51I, Block 12 as Parcel 435 in the Sixth Assessment District; also identified as Parcel 435 as shown on a plat entitled, "Plat of Consolidation for Lands of George L. P. Sams & Elsie O. Sams" as recorded in Plat Book 357, page 50; Annapolis, Maryland 21403
<i>Grantor</i>	Jo Anne S. Dudeck, PR of the Estate of George L. Sams
<i>Grantee</i>	Utz Enterprises, Inc.
<i>Recorded</i>	32071/317
<i>Sale Dates</i>	4/27/18; 5/3/18
<i>Land Area</i>	17,776 square feet or 0.4081 acres
<i>Zoning</i>	R2, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$75,000
<i>Financing</i>	\$60,000 purchase money deed of trust and security agreement with Old Line Bank at undisclosed terms (assumed to be at market)
<i>Unit Rates</i>	\$75,000 per single family residential lot \$4.22 per square foot or \$183,787 per acre
<i>Comments</i>	The property was purchased for residential development and a foundation is currently under construction on the site. The lot is irregular in shape, level and at road grade. The site has frontage along the west side of President Street of 225.67 feet, along the north side of Tyler Avenue of 60 feet and along the south side of Hoover Street of 120 feet. The parcel is mostly cleared.
<i>Marketing Period</i>	Property originally listed at a price of \$125,000 in February 2017 and placed under contract 57 days later; no arm's length recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Broker/MRIS, land records and inspection



View of Sale 3



View of Sale 4

Land Sale 4

<i>Location</i>	933 Old Annapolis Neck Road; Anne Arundel County TM 57A, Block 14 as Parcel 1425 in the Second Assessment District; also identified as Lot 1 as shown on Minor Subdivision Plat 89-472 as recorded in Liber 5323, page 491; Annapolis, Maryland 21403
<i>Grantor</i>	E. David Silverberg, Trustee
<i>Grantee</i>	WCT Properties, LLC
<i>Recorded</i>	31177/379
<i>Sale Dates</i>	6/30/17; 7/21/17
<i>Land Area</i>	32,980 square feet or 0.757 acres
<i>Zoning</i>	R2, Residential District (Anne Arundel County, Maryland)
<i>Utilities</i>	Public sewer and well water
<i>Improvements</i>	None at time of sale
<i>Sale Price</i>	\$90,000
<i>Financing</i>	Cash to the seller
<i>Unit Rates</i>	\$90,000 per single family residential lot \$2.73 per square foot or \$118,872 per acre
<i>Comments</i>	The property was purchased for residential development and a two story colonial style dwelling now improves the site. The lot is triangular in shape, level and at road grade. The site has shared access from Old Annapolis Neck Road. The parcel was wooded when sold.
<i>Marketing Period</i>	Property originally listed at a price of \$75,000 in April 2017 and placed under contract three days later; seller is a court appointed trustee to sell the property as a partition proceeding; no arm's length recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Broker/MRIS, land records and inspection

Adjustments

Sales are normally adjusted to reflect the property rights conveyed, conditions surrounding the sale, financing, changes in market conditions and physical characteristics, including location, zoning and size. Following is a comparison of Sales 1 through 4, inclusive, to Site 1 of the subject property.

Sale 1 occurred in February 2017 and is the purchase of a smaller site on Forest Drive that is adjusted downward to reflect the size, as smaller sites tend to sell at higher rates than larger ones, more regular shape and completed clearing included as a topography adjustment. Sale 2 is also on Forest Drive, but sold in January 2018. Downward adjustments are made to Sale 2 for size and shape; no other adjustments are made. Sale 3 is the most recent transaction and sold in April 2018. Sale 3 is adjusted downward for land area and completed clearing. Sale 4 is the purchase of a comparably sized, residentially zoned property that is adjusted downward to reflect the superior location and frontage along a less heavily traveled roadway and upward to reflect the lack of public water. The adjustment is 2.5% but shows as 3% on the grid because of rounding.

Conclusion

On the following page is a table showing the adjustments considered in comparing the sale properties to Site 1. Before adjustment, the sales range in price from \$2.75 to \$7.48 per square foot of land and a range of \$2.41 to \$5.23 per square foot of land after adjustment. Each of the sales represents a purchase of a residentially zoned site within the general area of the subject property purchased for development with a single family detached dwelling. The sales range in size from 5,980 to 32,670 square feet with three located within the corporate limits of Annapolis and the remaining sale in the larger Annapolis area. A thorough search was made for R3 zoned sites in Annapolis with a narrow width similar to the subject, but none could be found. Therefore, transactions of smaller sites, or with different zoning classifications, are included in the comparison. Sale 4 is the most comparable for size and slightly more weight is placed on the rate indicated by this transaction because of the size. Some consideration is also given to the remaining sales because of the 2017 and 2018 settlement dates and Annapolis locations.

Based on an analysis of the comparable sales, a rate of \$2.50 per square foot is projected for Site 1, as presently existing. Therefore, the value of Site 1 of the subject property is projected at \$79,585 or \$80,000 as rounded (31,834 square feet @ \$2.50 per square foot = \$79,585).

LAND SALES ADJUSTMENTS - SITE 1

	SUBJECT	LAND SALE 1	LAND SALE 2	LAND SALE 3	LAND SALE 4
DATE OF SALE	6/18	2/17	1/18	4/18	6/17
LOCATION	Forest Drive/Newtowne Drive	Forest Drive	Forest Drive	Hoover Street/Tyler Avenue	Annapolis Neck Road
LAND AREA, SF	31,834	8,024	5,980	17,776	32,670
ZONING	R3, Residential	R2, Residential	R4, Residential	R2, Residential	R2, Residential
UTILITIES	All public	All public	All public	All public	Public sewer
SHAPE	Rectangular	Rectangular	Rectangular	Irregular	Triangular
ACCESS/FRONTAGE	Adequate	Adequate	Adequate	Adequate	Adequate
FINISHED/PERMITTED	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
TOPOGRAPHY	Level/Wooded	Level/Cleared	Level/Wooded	Level/Cleared	Level/Wooded
AMENITIES	None	None	None	None	None
SALE PRICE	n/a	\$60,000	\$30,000	\$75,000	\$90,000
PRICE/SF OF LAND AREA	n/a	\$7.48	\$5.02	\$4.22	\$2.75
PROPERTY RIGHTS	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
CONDITIONS OF SALE	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
FINANCING ADJUSTMENT	Market Financing	Market Financing	Market Financing	Market Financing	Market Financing
MARKET CONDITIONS	Stable/Improving	Stable/Improving	Stable/Improving	Stable/Improving	Stable/Improving
PRICE/SF OF LAND AREA	n/a	\$7.48	\$5.02	\$4.22	\$2.75
PROPERTY RIGHTS		0%	0%	0%	0%
CONDITION OF SALE		0%	0%	0%	0%
FINANCING		0%	0%	0%	0%
MARKET CONDITIONS		0%	0%	0%	0%
ADJUSTMENTS		0%	0%	0%	0%
ADJUSTED PRICE/SF		\$7.48	\$5.02	\$4.22	\$2.75
LAND SIZE, SF		-20%	-35%	-10%	0%
LOCATION		0%	0%	0%	-10%
ZONING		0%	0%	0%	0%
UTILITIES		0%	0%	0%	3%
SHAPE		-5%	-5%	0%	0%
ACCESS/FRONTAGE		0%	0%	0%	-5%
FINISHED/PERMITTED		0%	0%	0%	0%
TOPOGRAPHY		-5%	0%	-5%	0%
NET ADJUSTMENT		-30%	-40%	-15%	-13%
INDICATED RATE/SF OF LAND		\$5.23	\$3.01	\$3.59	\$2.41

Land Sale 5

<i>Project</i>	The Enclave on Spa
<i>Location</i>	1-36 Enclave Court; Anne Arundel County TM 51F, Block 13 as Parcel 1318 in the Sixth Assessment District; also identified as Lots 1 through 36, inclusive, as shown on a plat entitled, "The Enclave on Spa" as recorded among the land records of Anne Arundel County in Plat Book 340, pages 10-11; Annapolis, Maryland 21403
<i>Grantor</i>	Lily Lorraine Clow
<i>Grantee</i>	K Hovnanian Homes of Maryland, L.L.C.
<i>Recorded</i>	30336/309
<i>Sale Dates</i>	11/15/16; 11/23/16
<i>Zoning</i>	R2 and R3, General Residence Districts (City of Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Land Area</i>	3.819 acres or 166,366 square feet
<i>Improvements</i>	Property formerly improved with a one story brick and concrete block automobile repair facility that contains an enclosed area of 12,417 square feet and originally constructed at least 50 years ago. The building was razed to allow for redevelopment of the supporting land. Approximately 60% of the supporting site was paved and fenced.
<i>Sale Price</i>	\$2,440,000 based on the deed price \$1,232,000 assignment fee \$3,672,000 total acquisition cost
<i>Unit Rates</i>	\$961,508 per acre or \$22.07 per square foot of land based on total cost \$102,000 per platted dwelling unit based on total cost
<i>Financing</i>	Cash to the seller
<i>Comments</i>	<p>Sale of a regularly shaped parcel of land that is generally level, mass graded and mostly at road grade. The property is split zoned with 3.809 acres zoned R3 and the remainder zoned R2, both residential zoning classifications. Approximately 2.997 acres of the parcel lies within the limits of the Chesapeake Bay Critical Area with 0.812 acres or 34,559 square feet outside the critical area. The property is to be developed as 36 townhomes as part of the Enclave on Spa project. Petroleum contamination located on the site and the developer and the Maryland Department of the Environment agreed on a Remediation Action Plan (RAP). The property sold with all environmental approvals.</p> <p>K Hovnanian intends to offer three, three level townhomes in the development. The St. John and Hopkins models contain a living area of 2,387 square feet divided into three bedrooms and 2½ baths with a two car front load garage. The St. Mary's is larger containing an area of 2,798 square feet divided into three bedrooms, 2½ baths and a two car garage.</p>

<i>Marketing Period</i>	Projected at less than one year; no recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Broker, land records and inspection



View of Sale 5



View of Sale 6

Land Sale 6

<i>Project</i>	Annapolis Townes at Neal Farm
<i>Location</i>	Dorsey and Tydings Drives; Anne Arundel County TM 51A, Block 24 as Parcels 6, 8 and 45, TM 51D, Blocks 6 and 10 as part of Parcel 60 and all of Parcels 70, 391 and 392 in the Sixth Assessment District; also identified as Lots 1 through 50, inclusive, as shown on a plat entitled, "Annapolis Townes at Neal Farm" as recorded among the land records of Anne Arundel County in Plat Book 345, pages 40 through 45, inclusive; Annapolis, Maryland 21401 103 and 105 Dorsey Drive; Anne Arundel County TM 51A, Block 24 as Parcels 64 and 65 in the Second Assessment District; Edgewater, Maryland 21037
<i>Grantors</i>	Hogan Real Estate Partners, LLC as to Parcels 6, 8, 45, 60, 70, 391 and 392 Cosbeeyoma R. Thomas and Monique R. Thomas, Second Successor Co-Personal Representatives of the Estate of John W. Prann as to Parcels 64 and 65
<i>Grantee</i>	ATNF, LLC as to all
<i>Recorded</i>	29103/308 as to Parcels 6, 60, 70, 391 and 392 30085/300 as to Parcels 64 and 65
<i>Sale Dates</i>	12/10/15; 12/15/15 as to Parcels 6, 60, 70, 391 and 292 9/19/16; 9/22/16 as to Parcels 64 and 65
<i>Zoning</i>	Primarily R4, General Residence District with smaller concentrations of B2, Community Shopping District and R-1B, Single Family Residence District for Parcels 6, 8, 45, 60, 70, 391 and 392 (City of Annapolis, Maryland) C2, Commercial Office District as to Parcels 64 and 65 (Anne Arundel County, Maryland)
<i>Utilities</i>	All public
<i>Land Areas</i>	7.6506 acres or 333,265 square feet as to Parcels 6, 60, 70, 391 and 392 0.389 acres or 16,944 square feet as to Parcels 64 and 65 8.0396 acres or 350,209 square feet as combined
<i>Sale Price</i>	\$3,900,000 as to Parcels 6, 60, 70, 391 and 392 \$ 300,000 as to Parcels 64 and 65 \$4,200,000 as combined
<i>Unit Rates</i>	\$522,414 per acre or \$11.99 per square foot \$84,000 per platted dwelling unit
<i>Financing</i>	\$2,640,000 purchase money deed of trust, security agreement and assignment of contracts, leases and rents with Howard Bank at undisclosed terms; 1 st amendment to deed of trust, security agreement and assignment of contracts, leases and rents increased loan amount to \$6,187,500 with Howard Bank (all financing assumed to be at market)

Comments

Assemblage of seven parcels that is irregularly shaped, level to sloping and mostly wooded. This portion of the property is now platted and will be developed as the Annapolis Townes at Neal Farm subdivision that includes 50 townhomes lots that range in size from 907 to 1,296 square feet with an average area of approximately 1,105 square feet or 0.025 acres. According to the seller, the combined site was purchased raw without any subdivision approvals and sold as a platted subdivision.

Parcels 64 and 65 lie between Dorsey Drive and Old Solomons Island Road. The combined parcels are triangular in shape, level and were improved with detached dwellings in poor condition at the sale date; all improvements were razed. According to an area broker, the property will be developed with four model townhomes as part of the Neal Farm project. However, the site sold as raw acreage without subdivision approval.

Marketing Period

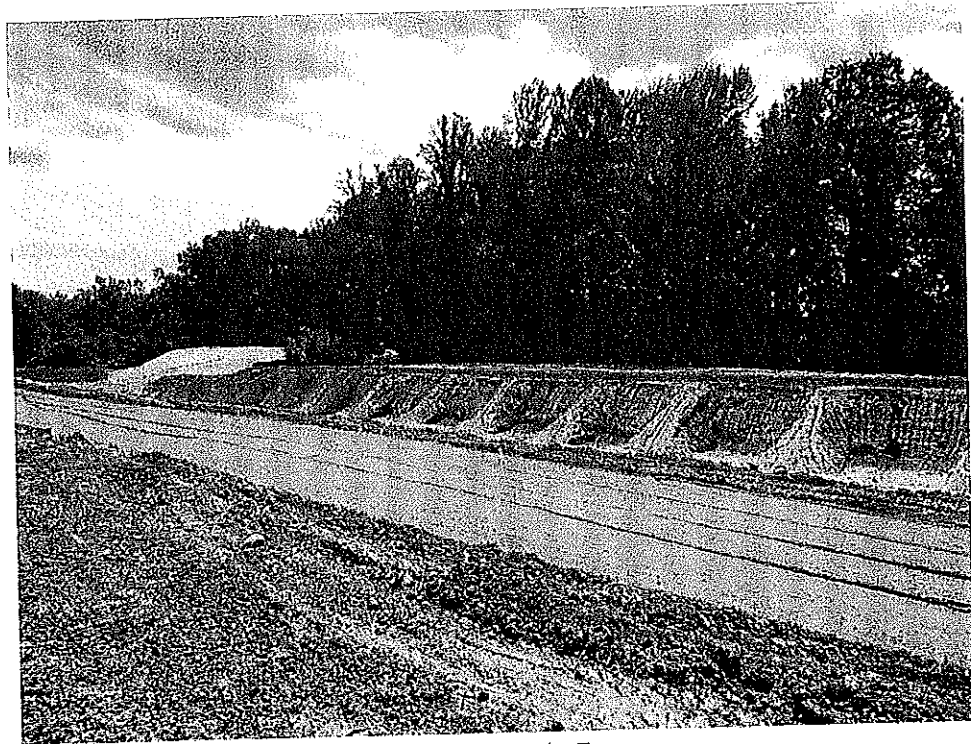
Parcels 6, 8, 45, 60, 70, 391 and 392 of the sale property acquired by the seller in August 2013 in two transactions with a combined purchase price of \$2,100,000 indicating a rate of \$42,000 per potential lot; Parcels 64 and 65 acquired by personal representatives in March 2015 as part of an estate sale; projected at less than one year for the purchase of the platted subdivision; no additional recorded transfers of any of the parcels comprising the sale property within the three years preceding the transfer.

Verified

Representative of Seller, Broker, land records and inspection

Land Sale 7

<i>Location</i>	979 Bay Village Drive; Anne Arundel County TM 57A, Block 14 as part of Parcel 160 in the Sixth Assessment District; also identified as Lot 4 as shown on a plat entitled, "Amended Record Plat of Bay Village" as recorded among the land records of Anne Arundel County in Plat Book 350, pages 30-31; Annapolis, Maryland 21403
<i>Grantor</i>	BRIG, LLC
<i>Grantee</i>	CS Bay Village Associates LLC
<i>Recorded</i>	31701/317
<i>Sale Dates</i>	12/20/17; 12/27/17
<i>Zoning</i>	R1, Single Family Residence District (Annapolis, Maryland)
<i>Utilities</i>	All public
<i>Land Area</i>	6.302 acres or 274,529 square feet of land area
<i>Improvements</i>	None at date of sale
<i>Sale Price</i>	\$2,800,000
<i>Unit Rates</i>	\$444,303 per acre or \$10.20 per square foot of gross land area \$849.257 per acre or \$19.50 per square foot of net usable area \$31,818 per living unit
<i>Financing</i>	\$18,750,000 deed of trust, assignment of rents and leases, collateral assignment of property agreements, security agreement and fixture filing with First National Bank of Pennsylvania at undisclosed terms (assumed to be at market)
<i>Comments</i>	The property is generally regular in shape, mostly wooded with some slopes. Of the total land area, 3.005 acres are encumbered by a forest conservation easement that prohibits development of this portion of the property. The site benefits from a shared access from Bay Ridge Road and storm water management facilities. The property was purchased for development with an assisted living facility consisting of 72 typical units and 16 memory care units.
<i>Marketing Period</i>	Projected at less than one year; no additional recorded transfers of the property within the three years preceding the sale
<i>Verified</i>	Seller Representative, land records and inspection



View of Sale 7



View of Sale 8

Land Sale 8

<i>Project</i>	The Cove
<i>Location</i>	2590 Solomons Island Road; Anne Arundel County TM 51D, Blocks 15 and 16 as Parcels 91 and 165 in the Second Assessment District; also identified as Lots 1 through 50, inclusive, as shown on a plat entitled, "Broad Reach Village" as recorded among the land records of Anne Arundel County in Plat Book 350, pages 9 through 12, inclusive; Edgewater, Maryland 21037
<i>Grantor</i>	The Columbus Club of Annapolis, Maryland, Incorporated
<i>Grantee</i>	D.R. Horton, Inc.
<i>Recorded</i>	31120/154
<i>Sale Dates</i>	4/21/17; 6/30/17
<i>Zoning</i>	R10, Residential District and small area of R2, Residential District (Anne Arundel County, Maryland)
<i>Utilities</i>	All public
<i>Land Areas</i>	6.202 acres or 270,179 square feet
<i>Sale Price</i>	\$3,750,000 based on the deed price \$5,200,000 as platted
<i>Unit Rates</i>	\$13.88 per square foot or \$604,599 per acre based on the deed price \$75,000 per potential dwelling unit based on the deed price \$19.25 per square foot or \$838,378 per acre based on the platted price \$104,000 per platted lot
<i>Financing</i>	Cash to the seller
<i>Comments</i>	Property previously improved with a one story brick and concrete block with rolled asphalt roof cover fraternal building that contains an area of 6,006 square feet. The building was in fair condition when sold and was razed to allow for redevelopment of the site with townhomes. The price included in the deed represents the price for raw land without entitlements to a developer who then sold the property as platted for a premium to the builder. The platted lots include 36 sites measuring 22 feet wide by 50 feet deep and 19 lots measuring 22 feet wide by 42 feet deep. Construction is underway on the three level townhomes. The builder is offering two models that each contain three bedrooms, 2½ baths and a two car garage. The Holley contains a living area of 2,135 square feet offered at a base price of \$489,990; the Auburn is slightly larger and contains an area of 2,270 square feet that is offered at a base price of \$499,990.
<i>Marketing Period</i>	Projected at less than one year; no additional recorded transfers of the property within the three years preceding the transfer.
<i>Verified</i>	Representatives of Buyer and Seller, land records and inspection

Adjustments

Sales are normally adjusted to reflect the property rights conveyed, conditions surrounding the sale, financing, changes in market conditions and physical characteristics, including location, zoning and size. Following is a comparison of Sales 5 through 8 to combined Sites 2, 3 and 4 of the subject property.

Sale 5 is the purchase of a site for development with 36 townhomes. Sale 5 is adjusted downward for existing approvals and site status when sold and upward for razing costs paid by the purchaser; no other adjustments are made. Sale 6 is an assemblage that is to be developed with a total of 50 residential units. Upward adjustments are made to Sale 6 to reflect the number of units and general location and downward for the existing approvals. Sale 7 is the most recent transaction but was purchased for development with assisted living units. Sale 7 is adjusted upward for the number and type of units, inferior frontage and lack of clearing and downward to reflect the special exception existing as of the sale date. Sale 8 is also a 2017 transaction for the purchase of townhome lots. Sale 8 is adjusted upward for razing and number of units and downward to reflect the site status.

Conclusion

On the following page is a table showing the adjustments considered in comparing the sale properties to Sites 2, 3 and 4 as combined. Before adjustment, the sales range in price from \$31,818 to \$84,000 per residential site. After adjustment, the sales indicate a range of \$50,909 to \$75,400 per potential residential site. Each of the sales represents a purchase of a residential tract within the general area of the subject property. The sales range in size from 3.819 to 8.04 acres and are residentially zoned. Sales 5, 6 and 7 are most comparable for location and slightly more consideration is placed on the rates indicated by these sales. However, Sale 7 is to be developed with an assisted living facility that is considered inferior to the townhome use of the subject. Some consideration is also given to the remaining sale because of the 2017 settlement date and lack of approvals.

Based on an analysis of the comparable sales, a rate of \$72,000 per potential residential site is projected for Sites 2, 3 and 4 of the subject property, as presently existing. Therefore, the value of the supporting land is projected at \$1,730,000 (24 potential lots @ \$72,000 each = \$1,728,000 or \$1,730,000 as rounded).

RECONCILIATION AND FINAL VALUE ESTIMATES

Cost Approach	Not Applicable
Sales Comparison Approach	\$80,000 as to Site 1 \$1,730,000 as to Sites 2, 3 and 4
Income Approach	Not Applicable

Reconciliation involves a review of the reliability of the data used, the relative applicability of the approach to the type of property being appraised and the relative applicability of the approach in light of the definition of value sought. The subject property consists of two non-contiguous sites in Annapolis, a desirable area in Anne Arundel County. Each of the sites is valued by the sales comparison approach only that is considered applicable to the valuation of residential development land similar to the subject.

SALES ADJUSTMENT GRID - SITES 2, 3 AND 4

	SUBJECT	SALE 5	SALE 6	SALE 7	SALE 8
DATE OF SALE	6/18	11/16	12/15-9/16	12/17	4/17
SIZE/ACRES	2.725	3.819	8.040	6.302	6.202
SIZE/SF	118,663	166,366	350,205	274,529	270,179
NUMBER OF UNITS	24	36	50	88	50
FRONTAGE/ACCESS	Interior	Interior	Interior/Dual	Interior	Corner
SHAPE	Regular	Regular	Regular/Triangular	Regular	Regular
ZONING	R2/R3	R2/R3	R4/R-1B/B2/C2	R1/SE	R10/R2
TOPOGRAPHY	Level	Generally Level	Generally Level	Level/Sloping	Level
LOCATION	Annapolis	Annapolis	Annapolis	Annapolis	Edgewater
FINISHED SITE	Partial	Improved	No	No	Partial
UTILITIES	All public	All public	All public	All public	All public
SALE PRICE	n/a	\$2,440,000	\$4,200,000	\$2,800,000	\$3,750,000
RATE/POTENTIAL UNIT	n/a	\$67,778	\$84,000	\$31,818	\$75,000
CONDITIONS OF SALE	None	Assignment	Razing	None	Razing
ADJUSTED SALE PRICE	n/a	\$3,672,000	\$4,200,000	\$2,800,000	\$3,750,000
ADJUSTED RATE/UNIT	n/a	\$102,000	\$84,000	\$31,818	\$75,000
PROPERTY RIGHTS					
CONDITIONS OF SALE		0%	0%	0%	0%
FINANCING		1%	0%	0%	1%
MARKET CONDITIONS		0%	0%	0%	0%
TIME ADJUSTED RATE/SF		0%	0%	0%	0%
NUMBER/TYPER OF UNITS		\$102,833	\$84,400	\$31,818	\$75,400
FRONTAGE/ACCESS		0%	5%	50%	5%
SHAPE		0%	0%	10%	0%
ZONING		0%	5%	0%	0%
TOPOGRAPHY		-25%	-25%	-5%	0%
FINISHED SITE		0%	0%	0%	0%
UTILITIES		-5%	0%	5%	-5%
LOCATION		0%	0%	0%	0%
NET ADJUSTMENT		-30%	-15%	60%	0%
INDICATED RATE/UNIT		\$71,983	\$71,740	\$50,909	\$75,400

The sales comparison approach is considered in estimating the value of Site 1 and of Sites 2, 3 and 4, as combined. In the analysis, a total of four sales purchased for residential development are compared to Site 1 of the subject to estimate a value based on a direct comparison. All of the sales are in the Annapolis area with two along Forest Drive within the general area of the subject property. The sales represent 2017 or 2018 transactions. A thorough search was conducted to find residentially zoned sites with the same configuration as the subject property, but none could be found necessitating the use of smaller sites or of sites located in the Annapolis area of Anne Arundel County in the comparison.

Four additional sales are included for comparison to Sites 2, 3 and 4 of the subject property as a residential development parcel. Three of the properties are located entirely or mostly in Annapolis; the remaining sale is located in Edgewater, but just south of Annapolis. The transactions are fairly recent having occurred in 2015 through 2017 and are considered the best comparables available.

The cost approach is not applicable to the valuation of either Site 1 or of Sites 2, 3 and 4, as combined, as the properties are unimproved. The approach is most applicable to improved sites. The sites are not valued by the income approach as residentially zoned land is generally purchased for development, and not for the generation of income from leasing the land.

Therefore, subject to the underlying specific assumptions and contingent conditions as contained within this appraisal report, it is my opinion that the fee simple market value of Site 1 of the subject property, as presently existing, unencumbered by any contract of sale agreements, as of June 12, 2018, is estimated as **EIGHTY THOUSANDS DOLLARS (\$80,000)**. The value estimate is of the real estate only.

In addition and subject to the underlying specific assumptions and contingent conditions as contained within this appraisal report, it is my opinion that the fee simple market value of Sites 2, 3 and 4, as combined, of the subject property, as presently existing, unencumbered by any contract of sale agreements, as of June 12, 2018, is estimated as **ONE MILLION SEVEN HUNDRED THIRTY THOUSANDS DOLLARS (\$1,730,000)**. The value estimate is of the real estate only.

REASONABLE EXPOSURE TIME

Reasonable exposure time is defined by The Appraisal Standards Board of The Appraisal Foundation as follows:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events and assuming a competitive and open market.

Reasonable exposure time is presumed to occur prior to the effective date of the appraisal. In addition, different types of properties can have varying exposure periods with longer periods associated with special purpose properties or at higher price ranges. The estimate of a reasonable exposure period can be based on an analysis based on: (1) statistical information about days on market; (2) information gathered through sales verification; or (3) interviews with market participants.

In estimating a reasonable exposure period for the subject parcels, consideration is given to the time periods experienced by similar residential or development properties. The sales included in this report had relatively short exposure periods because the properties were purchased by individuals who wished to construct residential units on the sites. The estimated values of the subject sites are related to the exposure periods for the sale of the properties. For the subject sites, an exposure period of not longer than one year is estimated to have occurred prior to the effective date at the appraised values for Site 1 or for Sites 2, 3 and 4 as combined.

QUALIFICATIONS OF ANTOINETTE WINEHOLT, MAI

EDUCATION

M. B. A., University of Baltimore, 1985

B. S. Degree in Business Administration, University of Baltimore, 1981

APPRAISAL COURSES

Real Estate Appraisal Principles, 1986

Introduction to Appraising Real Property, 1986

Basic Valuation Procedures, 1986

Maryland Chapter 26, Subdivision Analysis Seminar, 1986

Capitalization Theory and Techniques, Part A, 1987

Capitalization Theory and Techniques, Part B, 1987

Maryland Chapter 26, Highest and Best Use Seminar, 1987

Case Studies in Real Estate Valuation, 1988

Valuation Analysis and Report Writing, 1988

Maryland Chapter 26, Risk Analysis Seminar, 1988

Appraisal Institute, General Certification Review Seminar, 1991

Maryland Chapter of the Appraisal Institute, Subdivision Analysis, 1994

Maryland Chapter of the Appraisal Institute, Standards of Professional Practice, Part A, 1996

Maryland Chapter of the Appraisal Institute, Standards of Professional Practice, Part B, 1996

National Uniform Standards of Professional Appraisal Practice Update Course, 2003, 2006, 2009, 2012, 2015

Commercial Development Update Seminars, 1997, 1998, 1999, 2000, 2002, 2004, 2007 and 2008

Advanced Income Capitalization, 2003

Uniform Appraisal Standards for Federal Land Acquisitions, 2006

Appraisal Curriculum Overview, 2011

Continuing education seminars and courses sponsored by The Appraisal Institute

PROFESSIONAL AFFILIATIONS

Member, Appraisal Institute, MAI Member 11746

Secretary, Maryland Chapter of the Appraisal Institute, 2007

Vice President, Maryland Chapter of the Appraisal Institute, 2006

Treasurer, Maryland Chapter of the Appraisal Institute, 2005

Regional Representative, Maryland Chapter of the Appraisal Institute, 2003-2004

State of Maryland, Certified General Real Estate Appraiser, License Number 04-220

Associate Member, Institute of Real Estate Management, 2003-Present

Member, Anne Arundel County Board of Realtors, Inc., 1988-Present

Maryland Licensed Real Estate Salesperson, 1988-Present

EXPERIENCE

1997 - Present, Real Estate Appraiser and Consultant, The Wineholt Group, Inc.

1993 - 1997, Real Estate Appraiser and Consultant, Powell and Westholm, Inc.

1985 - 1993, Real Estate Appraiser and Consultant, JDC Appraisal Services, Inc.

2015 - 2016 Qualified expert witness Maryland Tax Court

PROPERTY TYPES APPRAISED

Full narrative appraisal reports of office buildings, industrial facilities, retail centers, special purpose properties and residential development land.

CERTIFICATION OF APPRAISER

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have provided no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.

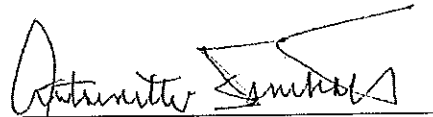
The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification.

As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.


Antoinette Wincholt, MAI

RESTRICTION UPON DISCLOSURE AND USE

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of The Appraisal Institute.

The signatory of this appraisal report is a Member of the Appraisal Institute. The By-Laws and Regulations of the Institute require each Member and Associate Member to control the use and distribution of each appraisal report signed by such Member or Associate Member. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without prior written consent of the signatory of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or other media for public communication without prior written consent of the signatory of this appraisal report.

***Section D:
Appendix***

LR - Deed (No-Taxes)
 Recording Fee 20.00
 Grantor/Grantee Name:
 annapolis realty
 Reference/Control #:
 LR - Deed (No-Taxes)
 Surcharge 40.00
 SubTotal: 60.00
 Total: 60.00
 05/19/2016 10:15
 CC02-6C
 #6173424 CC0501 - Anne
 Arundel
 County/CC05.01.00 -
 Register 09

AFTER RECORDING, RETURN TO:

Liff & Walsh, LLP
 1906 Towne Centre Boulevard
 Suite 270
 Annapolis, MD 21401

Tax ID No.: 06-000-06316800
 06-000-90102218

NO TITLE SEARCH PERFORMED

No Consideration - Related Business Entities
 Exempt from Recordation and Transfer Taxes
 pursuant to MD Tax-Prop §§ 12-108(p) and 13-207(a)(9)

DEED

THIS DEED, made this 15th day of April, 2016, by and between **HOGAN REALTY CAPITAL, LLC**, a Maryland limited liability company, party of the first part, **GRANTOR**, and **ANNAPOLIS REALTY PARTNERS, LLC**, a Maryland limited liability company, party of the second part, **GRANTEE**.

WHEREAS, Grantor purchased the real property described herein by virtue of a Deed dated November 12, 2014, and recorded among the Land Records of Anne Arundel County, Maryland, in Liber 27811, folio 082;

WHEREAS, Grantor caused Grantee to be formed by filing Articles of Organization with the corporate charter division of the Maryland State Department of Assessments and Taxation on March 15, 2016;

WHEREAS, Grantee is and remains a wholly owned subsidiary of Grantor; and

WHEREAS, Grantor now wishes to convey to Grantee the real property described herein, for consideration that comprises only of the issuance of the ownership interest in Grantee.

WITNESSETH, that for and in consideration of the sum of Zero And 00/100 Dollars (\$0.00), which includes the amount of any outstanding Mortgage or Deed of Trust, if any, the receipt whereof is hereby acknowledged, the said Grantor does grant and convey to the said **ANNAPOLIS REALTY PARTNERS, LLC**, as sole owner, in fee simple; all that lot of ground situate in the County of Anne Arundel, State of Maryland and described as follows, that is to say:

PARCEL 1

BEING KNOWN AND DESIGNATED as 1.742 acres of land, more or less, and more particularly described as follows:

BEGINNING FOR THE SAME at an iron point of intersection of the division line between the lands now or formerly of America Legion Department of

CITY OF ANNAPOLIS
 WATER DEPARTMENT
 WATER BILLS PAID TO

APR 21 2016

ANNE ARUNDEL COUNTY CIRCUIT COURT (Land Records) RPD 29592, p. 0001, MSA_CE59_30034, Date available 06/02/2016. Printed 06/29/2016. R 0003
 Val # : 0003-169232 \$0.00
 Deed - Recordation Tax - Exempt
 Instrument Type: Deed
 RECEIVED FOR RECORD
 CIRCUIT COURT A.A. COUNTY
 2016 MAY 19 A 10 25
 CT. Liff & Walsh, LLP
 LIENS ARE PAID AS
 IF 5/11/16 A.A. COUNTY
 BY: [Signature]

Maryland # 141 (see 2435/818) and the herein described lands of Light of the World Family Ministries, Inc. (see 10409/54), with the southwesternmost right-of-way line of Maryland Route 665 (Forest Drive);

Thence, leaving said beginning point so fixed and binding on the aforesaid Maryland Route 665 (Plat #50225), the following three (3) courses and distances: (1) South 43°47'43" East 65.84 feet to an iron rod set, (2) South 47°08'14" East 99.66 feet to a point, and (3) South 54°45'58" East 5.45 feet to an iron rod set;

Thence, leaving said iron rod so fixed and said Maryland Route 665 and binding on the division line between Parcel 2 of the Light of the World Family Ministries, Inc. (see 17382/476) and the herein described lands, South 39°26'28" West 431.54 feet to a 4" steel post found;

Thence, leaving said steel post so fixed and binding on the division line between the lands of "Rider's Glen Subdivision" (see Plat Book 202, Pages 33-35) and the herein described lands, North 56° 36' 35" West 171.26 feet to a 4" steel post found at the end of the first mentioned division line;

Thence, leaving said steel post so fixed and binding on the aforesaid division line between the lands of the America Legion Department of Maryland #141 and the herein described lands, North 39° 26' 28" East 462.89 feet to the place of beginning. Containing in all 1.742 acres of land more or less as surveyed by ATCS, P.L.C. in August of 2006.

PARCEL 2

BEING COMMONLY KNOWN as the Former Elmer Homber Property, or 0.833 acres of land, more or less, as shown on State Highway Plat Number 50459 and more particularly described as follows:

BEGINNING FOR THE SAME at an iron rod set at the point of intersection of the division line between the lands of Light of the World Family Ministries, Inc. (see 10409/54) and the herein described lands of Light of the World Family Ministries, Inc. (see 17382/476) with the southwesternmost right-of-way line of Maryland Route 665 (Forest Drive);

Thence, leaving said beginning point so fixed and binding on the aforesaid Maryland Route 665 (see Plat #50225), the following two (2) courses and distances: (1) South 54° 45' 58" East 22.83 feet to a point of curve and (2) with the arc of a curve to the left, 61.46 feet to an iron rod set. Said curve having a radius length of 8,242.67 feet

Thence, leaving said iron rod so fixed and said Maryland Route 665 and binding on the division line between the lands now or formerly of Katherine Properties, Inc. (see 7707/244) and the herein described lands, South 39° 15' 46" West 421.87 feet to a point;

Thence, leaving said point so fixed and binding on the division line between the lands of "Rider's Glen Subdivision" (see Plat Book 202, Pages (33-35) and the herein

described lands, North 56° 36' 35" West 86.00 feet to a 4" steel post found at the end of the first mentioned division line;

Thence, leaving said steel post so fixed and binding on the aforesaid division line between the lands of the Light of the World Family Ministries, Inc. and the herein described lands, North 39° 26' 28" East 431.54 feet to the place of beginning. Containing in all 0.833 acres of land more or less as surveyed by ATCS, P.L.C. in August of 2006.

The improvements thereon being known as 1701 Forest Drive.

BEING the same property which, by Deed dated November 12, 2014, and recorded among the Land Records of Anne Arundel County, Maryland, in Liber 27811, folio 082, was granted and conveyed by Matthew W. Oakey, David G. Sommer, and Robert R. Kern, Jr., Substitute Trustees unto Hogan Realty Capital, LLC.

SUBJECT to all easements, covenants and restrictions of record.

TOGETHER with the buildings and improvements thereon erected, made or being; and all and every, the rights, alleys, ways, waters, privileges, appurtenances and advantages thereto belonging, or in anywise appertaining.

TO HAVE AND TO HOLD the said tract of ground and premises above described and mentioned, and hereby intended to be conveyed, together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining unto and to the proper use and benefit of the said ANNAPOLIS REALTY PARTNERS, LLC, as sole owner, in fee simple.

AND the Grantor hereby covenants that it has not done or suffered to be done any act, matter or thing whatsoever, to encumber the property hereby conveyed; that it will warrant specially the property hereby granted; and that it will execute such further assurances of the same as may be requisite.

[SIGNATURE AND ACKNOWLEDGMENT BEGIN ON NEXT PAGE]

WITNESS the hand and seal of said Grantor, the day and year first above written.

Witness:

GRANTOR:

HOGAN REALTY CAPITAL, LLC,
A Maryland Limited Liability Company

By: Hogan Development, LLC, Member
A Maryland Limited Liability Company

[Signature]
[Signature]

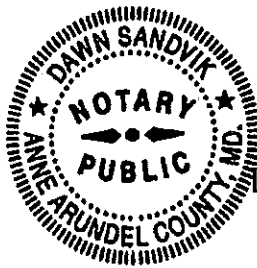
By: [Signature] (SEAL)
Timothy S. Hogan, Managing
Member

By: [Signature] (SEAL)
S. Hamilton Chaney, Member

STATE OF MARYLAND, COUNTY OF ANNE ARUNDEL, to wit:

I HEREBY CERTIFY that on this 18 day of APRIL, 2016,
before me, the subscriber, a Notary Public of the aforesaid State, personally appeared
TIMOTHY S. HOGAN, and acknowledged himself to be the **MANAGING MEMBER** of
HOGAN DEVELOPMENT, LLC, a Maryland limited liability company, a **MEMBER** of
HOGAN REALTY CAPITAL, LLC, a Maryland limited liability company, and acknowledged
that he, being authorized so to do, executed the foregoing document for the purposes therein
contained, in the aforementioned capacity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



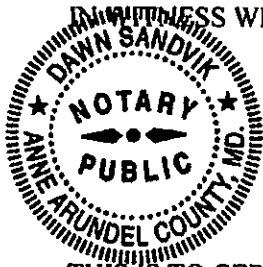
[Signature]
NOTARY PUBLIC
My Commission Expires: 12-21-19

[ACKNOWLEDGMENTS CONTINUE ON NEXT PAGE]

STATE OF Maryland, COUNTY OF Anne Arundel, to wit:

I HEREBY CERTIFY that on this 21 day of April, 2016, before me, the subscriber, a Notary Public of the aforesaid State, personally appeared S. HAMILTON CHANEY, and acknowledged himself to be a MEMBER of HOGAN REALTY CAPITAL, LLC, a Maryland limited liability company, and acknowledged that he, being authorized so to do, executed the foregoing document for the purposes therein contained, in the aforementioned capacity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Dawn Sandvik
NOTARY PUBLIC
My Commission Expires: 12-21-19

THIS IS TO CERTIFY that the within Deed was prepared by, or under the supervision of the undersigned, an Attorney duly admitted to practice before the Court of Appeals of Maryland.

Thomas W. Simmons
Thomas W. Simmons, Esquire

☐ Baltimore City ☒ County: Anne Arundel
*Information provided is for the use of the Clerk's Office, State Department of
 Assessments and Taxation, and County Finance Office Only.*
(Type or Print in Black Ink Only--All Copies Must Be Legible)

See Demand for Child Care, Bureau Vols.

Space Reserved for County Validation

ANNE ARUNDEL COUNTY CIRCUIT COURT (Land Records) RPD 30694, p. 0466, MSA_CE59_31136. Date available 03/08/2017. Printed 03/29/2018. R 0002
 Val #: 0002-180892 \$140.00
 Deed - Recordation Tax
 Instrument Type: Deed

AFTER RECORDING, RETURN TO:

Eagle Title, LLC
 181 Harry S. Truman Parkway
 Suite 200
 Annapolis, MD 21401

Tax ID No.: 06-702-90099221
 06-702-90099222

DEED

THIS DEED, made this 24th day of Feb, 2017, by and between **NEWTOWNE TWENTY, INC.**, a Maryland corporation, party of the first part, **GRANTOR**, and **ANNAPOLIS REALTY PARTNERS, LLC**, a Maryland limited liability company, party of the second part, **GRANTEE**.

WITNESSETH, that for and in consideration of the sum of Twenty Thousand and 00/100 Dollars (\$20,000.00), which includes the amount of any outstanding Mortgage or Deed of Trust, if any, the receipt whereof is hereby acknowledged, the said Grantor does grant and convey to the said **ANNAPOLIS REALTY PARTNERS, LLC**, a Maryland limited liability company, as sole owner, in fee simple, all that lot of ground situate in the County of Anne Arundel County, State of Maryland and described as follows, that is to say:

PARCEL B

Being known and designated as Parcel B, containing 31,834 square feet, more or less, or 0.73 acres more or less, on the Plat entitled "Rider's Glen Record Plat, Plat 1 of 3", which plat is recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 202, page 33.

PARCEL C

Being known and designated as Parcel C, containing 6,576.3 square feet, more or less, or 0.15 acres, more or less, on the Plat entitled "Rider's Glen Record Plat, Plat 1 of 3", which plat is recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 202, page 33.

BEING part of the fee simple property which, by Deed dated March 27, 1969, and recorded among the Land Records of Anne Arundel County, Maryland, in Liber 2254, folio 91, was granted and conveyed by Meyer Gilden, Sadie Gilden, Joseph Carton, Selma Carton, Oscar Brilliant and Geraldine Brilliant unto Newtowne Twenty, Inc.

SUBJECT to all easements, covenants and restrictions of record.

ACCT. 6702-9009-922
6702-9009-9221
 ALL LIENS ARE PAID AS
 OF 3/2/17 A.A. COUNTY
 BY: hvt

LR - Deed (w Taxes)
 Recording only ST20.00
 Name: annapolis realty
 Ref:
 LR - Deed (with Taxes)
 Surcharge 40.00
 LR - Deed State
 Transfer Tax 100.00
 LR - NR Tax - 1kd 0.00
 SubTotal: 160.00
 Total: 160.00
 03/03/2017 09:00
 CC02-6C
 #7896949 CC0501 - Anne
 Arundel
 By and between
 Registered

CITY OF ANNAPOLIS
 WATER DEPARTMENT
 WATER BILLS PAID TO

2/24/17 Etm

03/02/17 09:51 AM C 0002 R 0002
 Val #: 0002-180892 \$200.00
 County Transfer Tax

TOGETHER with the buildings and improvements thereon erected, made or being; and all and every, the rights, alleys, ways, waters, privileges, appurtenances and advantages thereto belonging, or in anywise appertaining.

TO HAVE AND TO HOLD the said tract of ground and premises above described and mentioned, and hereby intended to be conveyed, together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining unto and to the proper use and benefit of the said ANNAPOLIS REALTY PARTNERS, LLC, a Maryland limited liability company, as sole owner, in fee simple.

AND the Grantor hereby covenants that it has not done or suffered to be done any act, matter or thing whatsoever, to encumber the property hereby conveyed; that it will warrant specially the property hereby granted; and that it will execute such further assurances of the same as may be requisite.

WITNESS the hand and seal of said Grantor, the day and year first above written.

Witness:

NEWTOWNE TWENTY, INC., a Maryland corporation

By: Scott Wade (SEAL)
Scott Wade, Vice President

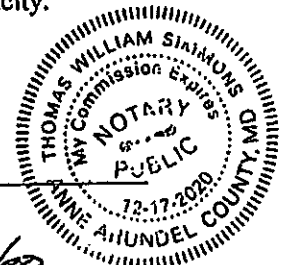
STATE OF Maryland, COUNTY OF Anne Arundel, to wit:

I HEREBY CERTIFY that on this 24th day of February, 2017, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared **SCOTT WADE**, and acknowledged himself to be the **VICE PRESIDENT** of **NEWTOWNE TWENTY, INC., a Maryland corporation**, and acknowledged that he, being authorized so to do, executed the foregoing Deed for the purposes therein contained, in the aforementioned capacity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Thomas William Simmons
NOTARY PUBLIC

My Commission Expires: 12/17/20

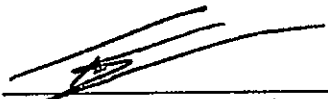


[CERTIFICATE OF PREPARATION BEGINS ON THE NEXT PAGE]

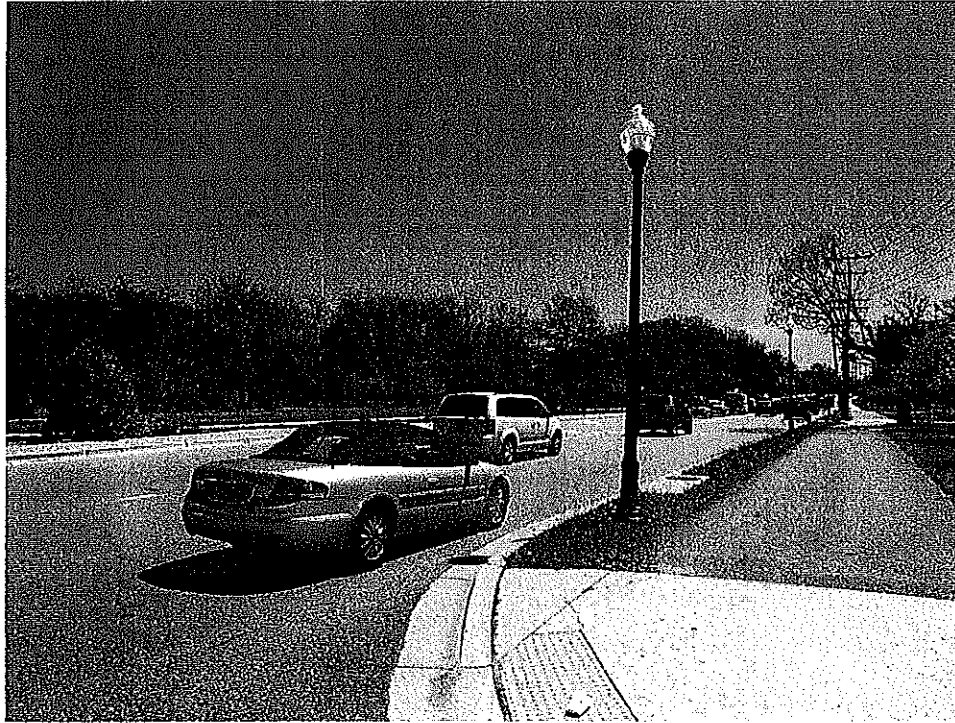
CLERK'S NOTATION

Document submitted for record in a condition
not permitting satisfactory photographic
reproduction.

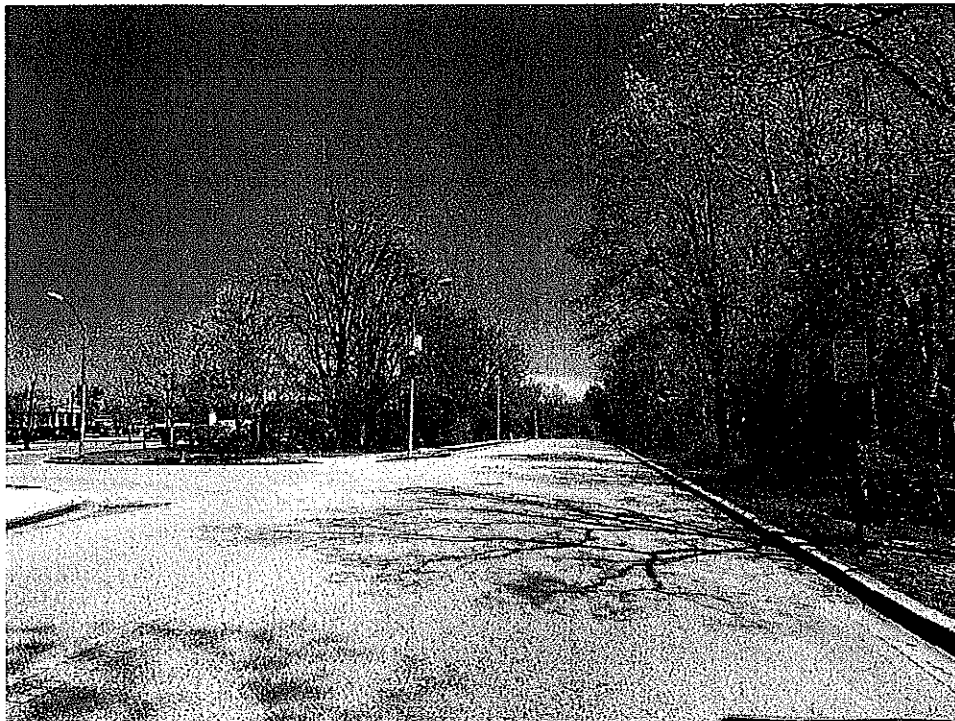
THIS IS TO CERTIFY that the within Deed was prepared by, or under the supervision of the undersigned, an Attorney duly admitted to practice before the Court of Appeals of Maryland.



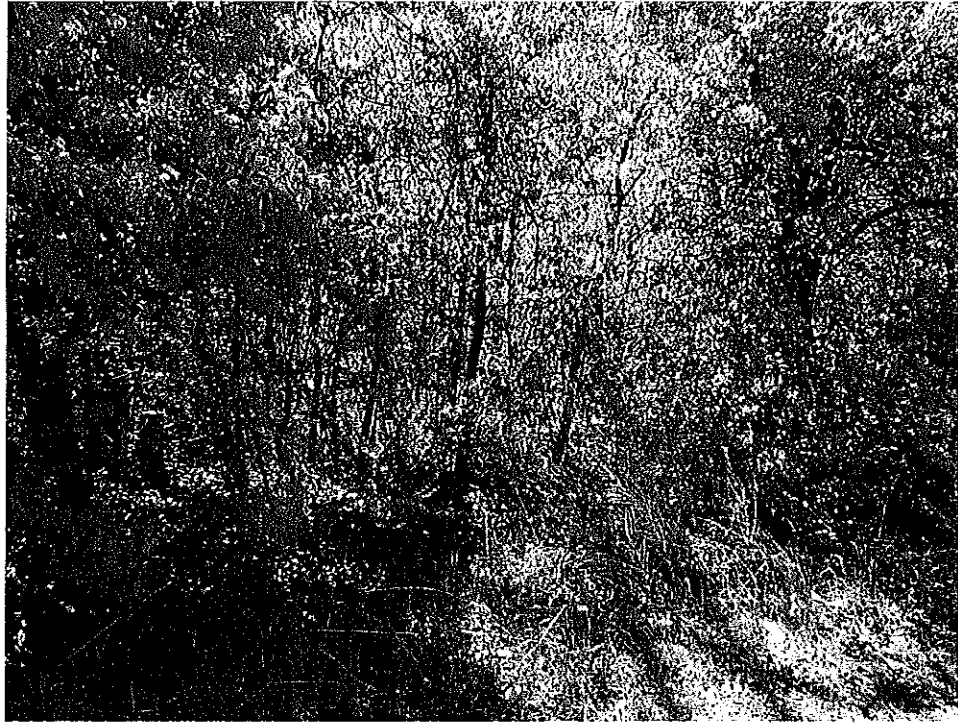
Thomas W. Simmons, Esquire



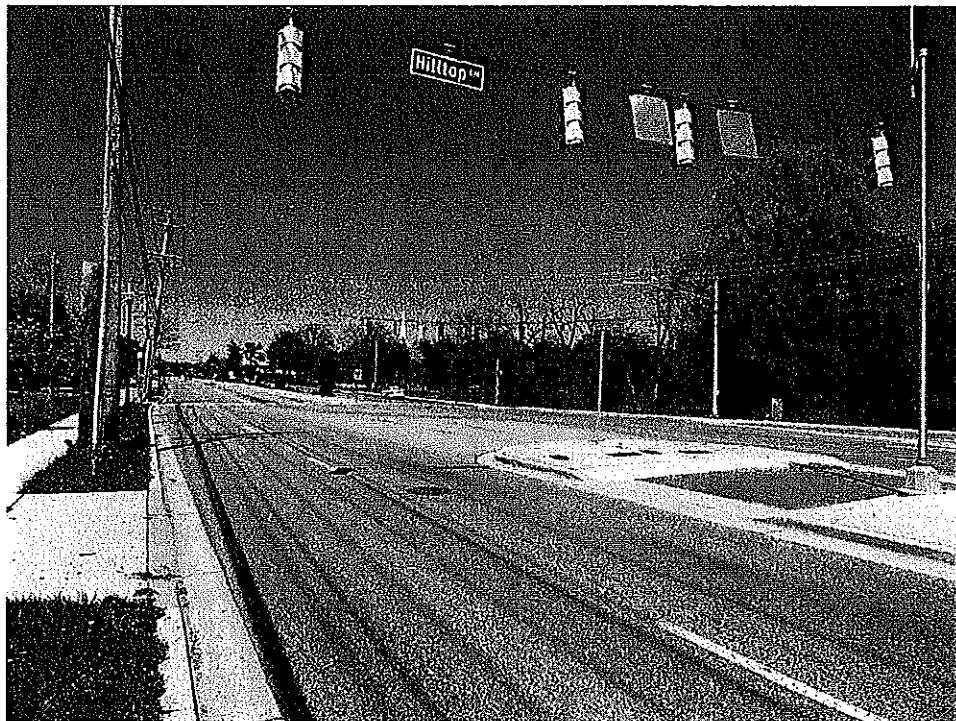
View looking east along Forest Drive frontage of Site 1



View looking north along Newtowne Drive frontage of Site 1



View of the interior of Site 1



View looking west along the Forest Drive frontage of Sites 2, 3 and 4



View of intersection opposite Sites 2, 3 and 4



View of interior of Sites 2, 3 and 4



Mayor Buckley <mayorbuckley@annapolis.gov>

Special Event Costs w tickets1 message

Deborah Yatsuk <dyatsuk418@gmail.com>

Tue, Jul 24, 2018 at 11:56 AM

To: aldpayne@annapolis.gov, aldarnett@annapolis.gov, aldfinlayson@annapolis.gov, Rhonda Pindell-Charles <aldpindellcharles@annapolis.gov>, aldtierney@annapolis.gov, aldsavidge@annapolis.gov, "Ald. Marc Rodriguez" <aldrodriguez@annapolis.gov>, aldhenison@annapolis.gov, mayorbuckley@annapolis.gov

Dear City Leaders,

I am reaching out to you all with thoughts many city taxpayers have.....that special event costs born by city taxpayers have to be reigned in. That city taxpayers cannot afford to keep subsidizing event after event, some by outside groups, some that even require ticket purchases, and attended by many non-city taxpayers. We touched on this during the recent budget deliberations where a large tax increase was implemented with this same item being one cause for such.

I do listen/watch some city council meetings and find it very eye-opening and usually frustrating and disappointing. If you were an outsider and watched yourselves, you would probably feel the same with the lack of professionalism and knowledge. I do want to say I am pleasantly surprised with the 4 new council members. Shaneka Henson especially. She says exactly what many of us are thinking and I am so impressed with her. I also appreciate the thoughtfulness Alderman Tierney and Savidge have shown, and the backbone to speak up.

City government is a business without its own money. You take our money and we count on you to use it wisely - for essentials first. Until we expand our tax base, or bring in new revenue, that is where we are at. To waive fees for an event, that many city residents won't buy a ticket to, is thoughtless. But rest assured, we do give to what we want to. My husband and I give a lot electronically to two churches, we are season ticket holders to concert and theater events in the city, we donate to local shelters and causes. Trust community groups and residents to do such, but city govt needs to be extra cautious when putting more of our money to the same things.

Thank you to Fred and Ross for your mindfulness in this regard. For the upcoming benefit concert, it's a fine venture, but either have tickets and/or sponsors cover the cost.

Thank you very much for your consideration of my remarks,

Debbie Yatsuk
Ward 5
410-507-4543

7/24/2018

Annapolis.gov Mail - August-September 2018 Art Exhibit at City Hall



Felicia Nolan <fcnolan@annapolis.gov>

August-September 2018 Art Exhibit at City Hall

Arlene Berlin <arlber5@aol.com>

Tue, Jul 17, 2018 at 12:30 PM

To: patricedrago@gmail.com

Cc: jfrenaye@gmail.com, calendar@bayweekly.com, april.nyman@acaac.org, katherine@annapoliscollection.com, ctkcorgi@gmail.com, sseifried@visitannapolis.org, alison harbaugh <alison@sugarfarmproductions.com>, Richard Niewerth <richard.niewerth@verizon.net>, rhutzell@capgaznews.com, fcnolan@annapolis.gov

Annapolis Watercolor Club

August 6 through September 28

OPENING RECEPTION SEPTEMBER 10, 530-7PM

Title of Show: On the Town

Images of not only downtown Annapolis but any small town

As seen by individual artists

Riding in the Park (Dogs) Stacy Lund Levy

Happy House (Flowers) Barbara Burns

Randall Court Joan Machinchick

Sent from my iPad

3 attachments



IMG_1738.JPG
497K

IMG_1739.JPG
53K